# FINANCIAL TIMES

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## News Summary

GENERAL

### Major probe on Ernie frauds

Following the £118,000 frauds disclosed at the week-end on Ernie, the Premium Bonds organisation, by collecting repayments for forged bonds, the Department of National Savings and the Post Office have launched a major security review.

A gang using forged premium bonds and documents got the money for two £300 bonds and one £400 bond at each of 118 post offices, mostly in London. But in some other offices the staff checked for watermarks, and this was how the frauds were discovered.

An instruction has now been issued reminding post offices to look for watermarks on documents.

Investigators are following up suspicions of an "inside" link with Ernie headquarters at Lytham St. Annes, Lancs. The thieves, said detectives, apparently used knowledge of the system in their complex operation.

**Storm havoc**

...mao died at Rotherham and hundreds of houses and many factories were damaged in a heavy storm yesterday in the West Riding. Rotherham and Sheffield were particularly hard hit with many homes made uninhabitable.

**Bogside rioters stone troops**

...oters stoned troops as a warehouse burned in Bogside, Londonderry, yesterday. Firemen had to run for cover as part of the building fell. In Belfast a former post office in Victoria Street was blasted. The organisation of the former B Specials has advised members against joining the Ulster Defence Regiment because it says only a force similar to the B Specials can tackle the IRA.

In the Irish Republic troops opened fire when two men were seen cutting the wire round the perimeter of the power station at Maynooth, Co. Kildare. The ... got away.

**U.K. team in Malta for talks**

A team of five British negotiators, mostly from the Defence Ministry, arrived in Malta yesterday to seek an agreement which would give Premier Mintoff's Government more cash and greater independence.

**Expulsions 'a pro-Market move'**

Mrs. Barbara Castle said at an anti-Common Market rally in Glasgow yesterday that the mass expulsion of Soviet officials for spying had "put East-West relations" and Sir Alec Douglas-Home's visit to Russia in jeopardy. She made it clear that Labour anti-Marketeers regarded it as "the last desperate fling of anti-Communist prejudice in this country to help the pro-Marketeers."

**5 charged after anti-porn demo**

Fifteen people, nine of them men, appear at Bow Street today charged with insulting behaviour during Saturday's Festival of Light demonstration against "moral pollution" by pornography. Most were held in minor incidents during the rallies in Trafalgar Square and Hyde Park. Mr. Malcolm Muggeridge and Mrs. Mary Whitehouse were among the speakers in the Square to a crowd estimated at 30,000.

**People and places**

Murder inquiry was launched after Iris Petrossian, 35, was found dead in bed early yesterday in Chelsea.

Two boys died after being hit by a sports car on the Portland, Weymouth, beach road.

£25,000 premium bond prize-winner was 7 XL 478785, living in London.

BUSINESS

### Industrial tribunals' format to change

● INDUSTRIAL TRIBUNALS are shortly to have their structure changed to exclude union-approved members as a result of the TUC's anti-Industrial Relations Bill campaign, which effectively has cut union representation on the tribunals by two-thirds.

Under the changes, separate tribunal membership lists of employers and employees, drawn up after CBI and TUC consultation, will be scrapped in favour of one list of persons considered eligible by the Government in consultation with the CBI and other "suitable" organisations. The requirement to consult the TUC will be dropped.

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● SHELL CHEMICALS' 5,000 staff have been told that present profitability levels are unsatisfactory and that a major review of operations is under way. No action is to be taken until the review is completed in a few months, but rationalisation measures which could include redundancies are clearly possible.

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● MR. KENNETH DOUGLAS, managing director of now-liquidated Upper Clyde Shipbuilders, is expected to refuse to take on any subordinate executive job at the new Government-sponsored Govan Shipbuilders, should any such post be offered. However, if offered a seat on the new Board, he may accept on a part-time basis. He is to see Govan's chief executive, Mr. Archibald Gilchrist, to-day.

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### Power plant delay

● HINKLEY POINT B nuclear power station, Somerset, expected to be the first of the 6,000MW of new nuclear stations to come on line, is unlikely to produce its first power until spring, 1973 —10 to 12 months late—said Nuclear Power Group chairman Sir Edwin McAlpine. Three specific technical problems have been encountered, he acknowledged, in a statement answering rumours of a possible delay of 18 months to two years.

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● 7,000 COVENTRY TOOLROOM workers are expected to be absent from to-day's return-to-work of Midlands motor and engineering industries as they continue their campaign to have a wartime rate-fixing agreement reinstated. The strike, the workers' third on a Monday, has cost the motor industry thousands of vehicles.

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### NHBRC expulsions

● NATIONAL HOUSE BUILDERS' Registration Council has expelled 10 building companies—and told six others they could face the same fate unless they undertake specific remedial work—in a big push against poor workmanship. Fourteen further companies have also been warned to keep a "close watch" on their standards. Names of the 10 companies will not be released until a month-long appeal period has elapsed, however.

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OVERSEAS

● NEGOTIATIONS between international oil concerns and the producing countries on State participation in local concessions are expected to start next month following last week's extraordinary OPEC meeting. Middle East reports indicate that, despite a bid to keep more radical States' demands within a 20 per cent. participation limit, Libya is insisting on 51 per cent., a stance which could provoke another major crisis in the industry.

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IMF MEETING OPENS TO-DAY

# Work starts now on parity realignment

BY SAMUEL BRITTAN, WASHINGTON, SEPT. 26

THE FINANCE Ministers of the world's 10 most important trading countries to-day agreed on the need for a prompt solution to the world's monetary crisis to "avoid the development of restrictions on trade and payments."

They have asked their Deputies to start work immediately on a multilateral parity realignment, "the temporary adoption of somewhat wider margins around par," the abolition of the American surcharge and "some other measures on trade and burden sharing."

They agreed that a settlement of the immediate issues must come before longer-term reform to replace the dollar as the main reserve asset and key currency of the world's monetary system. These longer-term topics will be analysed extensively at this week's annual meeting of the Fund both in Ministerial speeches and in papers prepared by the Fund staff and other experts.

## Good work

Mr. Anthony Barber, the British Chancellor, described the Group of Ten communiqué, issued after a two-hour meeting of Ministers, "as a good morning's work." It represents a compromise, foreshadowed by Mr. Barber and others at the recent meeting in Lancaster House on the relative urgency of progress on the different problems.

The compromise has been labelled "parallelism." This means that the U.S. demand for concessions from its allies on trade and military burden sharing will be discussed simultaneously with the exchange rates and surcharge questions. The forum for the trade discussions has yet to be decided.

U.S. sources have made it clear that they will not expect an early solution to problems such as the EEC common agricultural policy, non-tariff barriers and the proliferation of preference areas. They will, however, expect evidence that these problems are being tackled seriously and they will also want the removal of at least some specific trade restriction, above all by Japan, before acting on the surcharge.

## Key date

No one is trying to achieve an agreed package during this week's IMF meeting, which is inevitably something of a debating session. The key date for gauging progress will be a meeting, probably on October 18, of OECD Working Party Three, which will be followed immediately by a meeting of the Group of Ten Deputies. If reasonable progress is made it is hoped to call another Ministerial meeting in November.

Such a multilateral negotiation of parities is unprecedented; and it is obviously an open question whether agreements can emerge this autumn or winter in time to prevent major retaliations against the U.S. and an open outbreak of trade warfare.

The U.S. and its major partners are not nearly as far apart as the Ministerial speeches in the coming weeks are likely to suggest. The outline of a package deal already exists involving a small increase in the U.S. official price of gold in return for exchange rate appreciation by its partners.

The key to progress has now emerged as the official gold price. The price increase that is being demanded by leading European officials is purely a nominal one, and they are not insisting on the reopening of the gold window—a distinction that was also made by M. Schweitzer, the Fund managing director, at his Press conference on Saturday. On the one hand he wanted an early U.S. contribution in the shape of a devaluation of the dollar against gold. On the other hand, he relegated the whole question of the resumption of dollar convertibility to a much later stage of the Fund's studies of fundamental reform. In other words gold at this stage is simply being used as a measuring rod for expressing currency parities and has nothing to do with actual transactions in that metal by the U.S.

## Psychological

On the other hand the issue has great psychological and political importance. As a leading European official stressed last night, America's trading partners would be prepared to see a larger realignment if this took the form of a devaluation of some currencies against gold and a revaluation of others. In other words the Americans are being offered something at no cost to themselves.

This point is certainly appreciated by many in the Federal Reserve and even the U.S. Treasury. Nevertheless any concession on the gold price would come from the U.S. at the end of negotiations as a signal of satisfaction with what had been agreed.

Congressman Reuss, the key figure in the Joint Economic Committee of Congress, recently remarked to a very senior European Central Banker that Congress would agree to a small technical change in the gold price "in two days" if this were part of a parity realignment that gave a fair competitive deal to U.S. industry. The chairman of the JEC, Senator Proxmire, has already said that Congress might approve a gold price increase.

The staff of the JEC have calculated that an 8 per cent. U.S. gold price increase combined with appropriate revaluation of other currencies would increase the dollar value of world gold and SDR reserves by $3,500m. to $46,000m.

## Gold price

A small increase in the gold price would thus provide a rough and ready compensation for the fall in the value of the dollar component in world reserves that would otherwise take place.

Consideration of the figures that are being thrown backwards and forwards suggests that the gap between positions among the Group of Ten is not as large as appears at first sight.

For example, while Professor Schiller described as "overkill" the latest leaked IMF study suggesting a 12.3 per cent. revaluation of the mark against the dollar, it seems that the Germans are prepared to do 10 per cent. if part of this takes the form of a dollar devaluation against gold.

The major enigma of this meeting...

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# Spies: USSR warns of retaliation

BY MICHAEL SIMMONS, EAST EUROPEAN CORRESPONDENT

THE SOVIET Foreign Ministry protested strongly yesterday against Britain's expulsion of 105 diplomats and officials, all said to have been engaging in intelligence activities. The British Ambassador in Moscow, Sir John Killick, was warned that retaliatory action would be taken if the order was not rescinded.

In London, there was speculation that people who had liaised with the expelled Russians might be arrested and charged under the Official Secrets Act. Whitehall officials were unwilling to name any of the Russians ordered to go on the grounds that this would be a way of warning their contacts.

They also refused to give any further details of the KGB defector, neither confirming nor denying that he was the secret police's "No. 2" in this country, or that he may have held the rank of one star general.

## 'Hostile'

The first expelled Russians were believed to be on their way home to Moscow from London Airport-Heathrow yesterday. An Aeroflot flight was fully booked, and two others, scheduled to leave later this week, are also believed to be full. Often up to 40 per cent. of seats are empty on these services.

The Soviet Foreign Ministry statement said that the charges made against the expelled Russians were "unfounded and fabricated with obviously provocative aims, hostile to the Soviet Union." If the British orders were adhered to, then the Soviet side could only take "corresponding measures in return."

Sir John Killick, interviewed after his 20-minute session with the Deputy Foreign Minister, Mr. Kozyrev, said that in the British view there was no basis for retaliation and that it would be unjustified. The meeting with Mr. Kozyrev, he added, had been a calm one.

The British Government keeps to the view that it wants to maintain the best and closest possible relations with the Russians. How close these relations are now could emerge in New York to-day when Sir Alec Douglas-Home, the Foreign Secretary, meets his Soviet counterpart, Mr. Gromyko, possibly at a dinner given by U Thant, the UN Secretary-General, for the "big four" Foreign Ministers.

At Scarborough yesterday Mr. Heath said: "We have carried out effectively a policy of protecting and advancing British interests and this is the same firm principle which covers our decision about the Soviet diplomats who have been asked to leave this country."

It is not easy to see precisely what sort of retaliatory action the Soviet authorities might reasonably take. It would have to be limited in scope for a number of reasons, the most important from Moscow's point of view being the need, as they see it, to hold a European security conference now that the first stages of agreement have been reached on Berlin.

Since Britain would be a key participant at such a conference, and since smooth Anglo-Soviet relations would be an important prerequisite to one being held, it could be argued that the Soviet policy-makers now face the first real test of their sincerity.

If any businessmen or technicians are turned out, it would place in jeopardy Soviet interest in using British technology and Russia's much publicised wishes to promote East-West technological co-operation. A high proportion of U.K. technicians are also working in sensitive areas to the Soviet economy. ICI staff are, for example, helping to run in one of the country's most sophisticated plants, making man-made fibres.

These technicians are there for private enterprise—not working for their Government, as every Soviet diplomat and foreign-posted "businessman" is by definition.

The Soviet authorities are in the main left with the choice of whether or not to expel British diplomats. Certainly, they would not break off diplomatic relations when they are being so active in wooing the West, and for much the same reasons there is unlikely to be any drastic cut-back in the establishment of the British Embassy.

Even after the expulsion of the 105 officials, the Soviet establishment in London remains much larger than the British representation in Moscow. It seems at the moment improbable therefore that the number of Soviet expulsions will be large.

On the nature of the intelligence work carried out by the Russians there was complete silence. There was no further elaboration from Whitehall on what it had described as "detailed contingency plans for sabotage in periods of tension."

## Concorde

What is known is that the Russians have made great efforts to obtain full technical details of Concorde—seen as a distinct rival to its own TU-144.

But, following claims by a former British Aircraft Corporation electronics inspector, Mr. James Doyle, that he sold Concorde secrets to the Russians, BAC said yesterday that the whole matter had been investigated "many months ago by the Special Branch and no action taken."

# Better understanding hope as Heath sees Irish PMs

BY RICHARD EVANS, LOBBY CORRESPONDENT

MR. HEATH invited the Ulster Premier, Mr. Brian Faulkner, to Chequers last night for talks in preparation for the Summit meeting of the three Prime Ministers to-day and to-morrow.

The Irish Premier, Mr. Jack Lynch, will have separate talks with Mr. Heath this morning before the tripartite discussions begin in an effort to prepare the ground and avoid unnecessary misunderstandings in what will inevitably be difficult and delicate negotiations.

The Home Secretary, Mr. Reginald Maudling, and the Defence Secretary, Lord Carrington, were present at last night's talks with Mr. Faulkner, but, once the tripartite talks start, the three Prime Ministers will be alone with no more than one adviser each. The discussions are expected to continue well into to-morrow.

Mr. Heath is not seeing the other Prime Ministers separately in order to test out a new initiative or reform proposal, but

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to make himself aware of their thinking on key issues before the talks start.

The two main issues to be discussed are the measures to combat IRA terrorism, including internment, and ways of increasing the role of Catholics in the life and Government of Northern Ireland.

It is universally acknowledged that there is a very wide gap between Mr. Lynch and Mr. Faulkner on both these issues, but the hope is that the Chequers talks will lead to a closer understanding, and possibly pave the way for later agreement on specific issues.

The first aim of the three leaders will be to establish a mutual understanding, as Mr. Lynch and Mr. Faulkner have not met before, and comes to the talks after a series of bitter exchanges in speeches and statements.

It will be open to any one of the Prime Ministers to raise any subject he likes, but it is still being emphasised in Whitehall that the constitution of Northern Ireland and the border cannot be subjects for negotiation.

## In to-day's Financial Times

To-day's Financial Times has been designed to bring readers up to date with essential information which we could not publish on the first four days of last week.

Our complete share information service was fully up-dated in Saturday's final edition. For the convenience of all our readers we are to-day showing Friday's closing prices, the changes on that day as well as highs and lows, yields, p/e ratios and times covered, all adjusted to latest prices. Our normal Monday service—showing dates when dividends are normally paid—will be resumed next week.

A summary, day by day, of the principal company news is given on Pages 30, 31 and 32.

Appointments appear on Page 36.

The FT-Actuaries share indices for Monday, Tuesday and Wednesday of last week are on Page 35.

Exchange rates on the London market on the same three days are given on Page 35.

# Senior Ministers to review policy on October 8

BY RICHARD EVANS, LOBBY CORRESPONDENT

THE Prime Minister is to call a special conference of senior Ministers at Chequers on Friday week to conduct a comprehensive review of Government policy.

The purpose of the meeting is two-fold—to assess the Government's record after 16 months in office and to project policies up to and beyond the next General Election.

Among those present will be senior Ministers—not all members of the Cabinet—and key officials, including Sir Burke Trend, secretary of the Cabinet, and Lord Rothschild, head of the Government's central policy review staff, which studies long-term policies in depth.

## Timing

It will be the first wide-ranging review of policy since the Tories' Selsdon Park meeting of January, 1970, which laid down the party's strategy that led to victory in the General Election.

This time the problems of mounting unemployment and the impact of rising prices will dominate the talks as Ministers discuss ways of solving the country's economic difficulties and regaining political popularity before the next election.

The timing of the conference—it will take place in the week before the Conservative Party's annual conference—means that Ministers will also have the opportunity of preparing to meet criticism of the Government's performance from local party workers.

Explaining his reasons for the conference Mr. Heath said at Scarborough on Saturday that he wanted to make certain "that this Government never loses sight of the way ahead: that we do not run out of energy and ideas; that we press ahead vigorously with our Conservative programme of reform."

## First of series

He said it would be the first in a series of similar meetings.

Mr. Heath attributed the rise in prices and unemployment to the legacy inherited from Labour of excessive Government spending, inflation and wildcat strikes.

Surprisingly the Prime Minister made only one passing reference to unemployment, but, in contrast, the Opposition leader, Mr. Wilson, devoted the whole of his Saturday speech to the subject.

He launched a personal, scathing attack on Mr. Heath and accused the Government of "cynical complacency."

Mr. Heath, he claimed, was "sitting there in doctrinaire inactivity frozen into his calculated indifference" while unemployment expanded ominously.

## Paying out

Mr. Wilson, speaking at Luton, attributed high unemployment to "the disastrous decision deriving from men drunk with their own dogmas."

Our Labour Staff writes: The Government is estimated to be paying out unemployment benefit at a weekly rate of £8m. and to have spent a total of some £250m. already this year—a total which will increase sharply if the current 929,000 number of people unemployed rises still further.

Union leaders regard this high cost as an uneconomic use of Government funds. The TUC has been urging Ministers that not only should the economy be expanded faster but the Government should accelerate its public works programme and raise pensions to boost consumer demand.

These arguments are likely to be put by TUC leaders at meetings of the National Economic Development Council during the next couple of months.

## ON OTHER PAGES

To-day's issue contains eight pages (19-26) on Commercial Vehicles, three pages (39-41) on Bearings and two pages (14 & 15) on Sea Freight.



## 400 machine makers face redundancy

BETWEEN October and Christmas William Cotton, the Loughborough textile machinery makers, part of Sir Charles Clore's Sears Holdings group, is to make 400 of its 1,442 workers redundant. It blames a slump in orders for knitting machines.

It is expected that 80 apprentices, 120 floor workers, and 200 staff and non-productive employees will be sacked.

## Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4

# Pensions · Small firms · Work in progress

Sir,—Your correspondent Mr. A. G. Plucknett (Strategy For Pensions, September 17) suggests that there is no advantage to an employer who sets up an occupational scheme in order to achieve recognition and thus secure exemption for his employees from the reserve scheme. He does not mention the fact that contributions paid by employees to the reserve scheme will not qualify for tax relief. It is hard to imagine a situation in which such employees, or their representatives, will be content to go on paying contributions to the reserve scheme where there is a perfectly good occupational scheme in existence which could serve as a basis for recognition. We are convinced, that the great majority of employers will seek recognition, as the title of the booklet we are publishing within the next few days—*Advance and Be Recognised*—makes clear.

We would not, however, support Mr. Plucknett's proposal to make it a condition of approval that an occupational scheme is substantially better than the reserve scheme. There may be circumstances in which an employer would like to provide benefits which do not match the requirements for recognition—for example, cash retirement benefits. For obvious reasons lump sum benefits cannot take the place of pension under the reserve scheme, but it would be wrong on this account to prevent an employer who wants to provide cash gratuities on top of benefits provided by the State from doing so.

Michael Pilch.
Director, Noble Lowndes and Partners,
P.O. Box 144, *Norfolk House, Wellesley Road, Croydon.*

## Employees' rights

Sir,—Your leading article (of September 15) gives the impression that under the Government's new proposals "no employee can lose his pension rights as a result of changing his job." This is far from true. Full preservation is to be required *only* for pension rights earned after five years' service. Employees who never leave a job after less than five years must be a small minority of the working population and an even smaller minority of manual workers.

Tony Lynes,
*Ivy Cottage,*
*Lower Heyford, Oxford.*

[Our leading article referred to "the principle that no employee can lose his pension rights as a result of changing his job." The qualifications and restrictions on the application of this principle are regrettable, but there can be no doubt that the White Paper endorses preservation as a question of principle, or that this would represent a major step forward in pension legislation. The next task would be to enlarge its application. Ed.]

## Qualification for tax relief

Sir,—In your issue dated September 15, Page 8, you report that at a Press conference Mr. Michael Pilch pointed out that employers would not qualify for the tax relief under the reserve scheme.

If Mr. Pilch did make such a statement then he *is* quite wrong. The employers' contributions to the reserve scheme will rank as an expense—it is only the employee's contributions which will not rank for tax relief.

T. A. E. Layborn.
*Vincula House,*
*Tower Place, E.C.3.*

## Industrial relations

Sir,—I would like to refer to Mr. G. Milne's letter of September 17. I agree completely that the *Industrial Relations* Bill might have been different, if discussions on its consequences had not been entirely based on surmise and speculation. Many people joining in the argument have not even read the Bill. Mr. Jim Houston, chairman of the Joint Industry Board for the Electrical Contracting Industry, told me recently that after he had given a lecture on the Bill before *an* audience of union members, one shop steward stood up and asked: "Is that the Bill we went on strike against last week, Mr. Houston?"

There are very few people who have actually been able to experience what happens when legislation is introduced in this way, or what happens when the regulations of the Code of Industrial Relations Bill are brought into effect like this. Mr. Jim Houston, as director of the Fairfield Experiment for Industrial Relations, and Mr. Sture Klaséo, director of the redundancy and wage negotiations at the Swedish Employers' Confederation, are two men who have had this practical experience, which is why we have invited them to address the management audience at our conference in October. To show management what reactions they can expect from the unions, Frank Chapple, general secretary of the ETU, will also be on the platform, acting, in *his own* words, as the managers' target of the day.

There has been too much political attitudinising but not enough practical experience, not only in discussions about the Bill, but also on the problem of industrial relations in general. I am not afraid to say this even though Mr. Robert Carr has accepted our invitation to the luncheon discussion at the conference.

Andrew Tessler.
Managing Director.
Management *Information* Centre.
*185, Piccadilly, W.1.*

## Consultancy for small firms

Sir,—May I reply to some of the points raised by various correspondents since my letter of August 17.

Far from missing the point, as accused by Mr. D. J. Instance (September 3), my letter adjacent to his confirms that special skills and knowledge are required by consultants for small firms. I agree with him that owners and managers can benefit by discussing their problems among themselves; indeed, we aim to stimulate such activity through our Small Firms' Group, but the role of the consultant in the small firm is more than *just an exchange of management* experience; it has something in common with the role *of the coach in sport, drama,* music, etc. The consultant's task is to evaluate the client's strengths and weaknesses, some of which the client may not be aware of, then to help the client improve his company's performance. To fulfil this role the consultant must have had direct experience of management but it is not essential for him to be a top flight entrepreneur. The best actors are not necessarily the best drama coaches, the best football coach may be only a moderately good player on the field.

As a Member of the Institute of Management Consultants, I support the plea of Mr. F. A. Mullineaux (*September* 9) that we should not neglect the independent small partnership and one-man *practices* offering consultancy to small firms. However, despite the efforts of the IMC and BIM/CBI Bureau, many small firms still do not know how to identify the good consultant from the bad. Only the other day I was visited by a representative of a self-styled management consultancy company, claiming to specialise in small firms. It turned out that *this man* had spent his whole working life with one large firm and he clearly had received no training in consultancy. He had the effrontery to purvey this blissful ignorance to unsuspecting clients at £10 an hour, presumably learning his trade at their expense. No wonder small firms are suspicious of consultants. Our profession must do all it can to make *small firms* aware of the difference between the plausible charlatans and those who, while not claiming to know all the answers, can at least demonstrate an understanding of the problems of small firms.

As for Mr. O. R. J. Lee (September 13), from whom I and others learned more about management consultancy in small firms than we realised at the time, I can only thank him for confirming two of my main points, namely, that small firms need a different style of consultancy and that the promotional costs of such a service are high.

Having had some experience of endeavouring on *a shoe-string* budget to train the "new breed" of consultants it is my hope that the Sheffield Centre *for Innovation* and Productivity will be able to establish appropriate *training facilities* for the type of consultant needed by small firms, and that those talents could then be harnessed for the benefit of Britain's small firms who, at present, get less than *their* fair share of help.

E. G. Wood,
*Sheffield Polytechnic Centre for* Innovation and Productivity.
*Holford House,*
*Fitzalan Square,*
*Sheffield.*

## Lack of what is needed

Sir,—I should like to contribute further to the absorbing discussion on small firms that has been taking place in your correspondence columns over the past few weeks.

For many years now the small firms in the U.K. have been at a serious disadvantage to those in the EEC countries, in the U.S. and in Japan. The Bolton Report, presumably, will pinpoint the reasons and put forward suggestions on how the small company's lot *might* be improved.

But we at Enterprise have found that the greatest fear of Britain's small firms is that Bolton will make the same mistakes as have been made often enough before. The main problem has not been any shortage of help for small firms—the trouble is that there is far too much waste, far too much duplication and so little real knowledge of the background to small-firm problems. As I pointed out in my letter of September 3, most bodies tend to offer small firms what *they* think they need rather than what is really needed.

Examples are easy enough to find. The British Productivity Council groups, for instance, *always* tended to attract specialist line managers rather than owner managers because the techniques and courses being offered simply did not relate to overcoming the main stream problems facing small firms. Industrial liaison officers have in a few cases, tackled and solved a number of interesting problems but they operate from safe "un-entrepreneurial" backgrounds which is about as far from the small-firm situation as it is possible to get. Then there are the Industrial Training Boards who, whether they like it or not, find themselves offering a form of consultancy as their main service. These Boards must have built up a lot of extremely interesting case studies but because there is no official contact between Boards at "training" level, much of the effort is duplicated. After all, they are servicing industries and companies with basically similar problems.

Government support, however well intentioned, just hasn't matched up to the needs of the small firms. Neither have the CBI or the SBA been able to *influence* the situation, because they do not have the support of the majority of small firms. *Which* only means one thing. The only ones capable of understanding, and being respected by the entrepreneur, are those operating from the same sort of profit oriented base.

Considering the commercial experience of Mr. John Bolton, and his recent appointment as chairman of the Small Business Capital Fund, as announced in Men and Matters on September 17, we can hope that the Bolton Report makes the point. And *makes it to good effect.*

David J. Instance,
Joint Managing Editor,
Enterprise.
*Maidstone Road,*
*Paddock Wood, Kent.*

## World's finite resources

Sir, — Congratulations on Adrian Hamilton's article about the finite limits of the world's supply of oil (September 16, page 18). In fact the same situation prevails with the world's supply of many other mineral and metal resources. The first step towards a solution is to be realistic about the dilemma that mankind faces, and this is why Adrian Hamilton's article is welcomed.

There is a challenge that must now be answered by *Government* and our leading institutions. How does the Government believe it can achieve economic growth if oil reserves and other mineral resources are running out? What advice does the Confederation of British Industry *offer? How does* the Trades Union Congress react?

The British Institute of Management is holding a *conference* on November 16 and 17 on Government, industry and the environment. This seems to be an admirable opportunity for a frank discussion of the real issues, and for future policy to be indicated.

Colin Hutchinson (chairman).
The Conservation Society.
*Kingswood.*
*Beatrice Road,*
*Oxted, Surrey.*

## Money supply and prices

Sir,—Mr. Slingsby of Ilkley confuses cause and effect, I think, in his letter (September 14). From his figures it seems that, with the exception of the period ending July 21 this year, money supply has increased more slowly than prices. The result of this must be stagnation, for there cannot be sufficient funds available to purchase all the goods produceable, at the price at which they can be sold.

The expansion of the money supply, one cannot deny, can stimulate inflation, but it stimulates expansion too. Deflation is no answer either. Pricing decisions are influenced by costs as much as, or more than, by considerations of "what the market will stand."

Mr. Nixon on assumption of office sought to control inflation by tight control of the money supply. The rest is history.

The problem facing any government is the maintenance of near full production (viz. minimum costs) without the creation of that excess demand which eventually affects both prices and the balance of payments position.

I am sufficiently confident of my *diagnosis* to make a forecast (always dangerous) that the recent faster increase in the supply of notes will actually help to stabilise the rate of inflation over the next three years (not much sooner for reasons too complex to explain in a short letter). Mr. Slingsby might like to check the forecast himself to see if *I am right.*

J. Richard N. Stead.
*Miller's Shaw,*
*Milton of Dumbarton,*
*Dumbartonshire.*

## Work in progress

Sir,—It is interesting to note the varying views of your correspondents on valuing work in progress.

Mr. Jeffries feels quite strongly that a proportion of sales and admin overhead expenses should be charged to work in progress. He reasons, correctly, that raw material does not find its way automatically to a machine. However, by the same reasoning raw materials *do not get to the stores* automatically—should, therefore, an overhead be applied to stock? He *reasons* that work on estimates, quotations, etc., must be done before manufacture, and this is obviously correct in certain cases. However, the majority of consumer goods are sold ex stock against a standard price list and no estimates, quotations, etc., are involved.

A factoring concern, having no manufacturing element, buys in goods for resale. When these are in the warehouse are they stock or work in progress for valuation purposes?

Finding a sensible way of valuing work in progress is not easy, as the accounting bodies are finding. It is possibly unfortunate, but each type of operation needs a different approach, and laying down one generic method would bring as many anomalies as at present.

H. G. Faulkner.
*32, Delmar Avenue,*
*Leverstock Green,*
*Hertfordshire.*

## Treatment of interest

Sir,—Mr. L. Jeffries (September 15) is correct in principle in requiring administrative costs to be included in work in progress, provided that the administrative staff can be persuaded to analyse time and expenses over the various contracts and services. If the administrative costs cannot easily be allocated to the various contracts and services then an arbitrarily based estimate of administration on cost has to be calculated.

Mr. Jeffries has rightly complained about the omission of administrative salaries and overheads but I was hoping that someone would ask about the treatment of interest. A capital investment plus interest paid forgone should be recovered h[...] *of sales revenue, hence for co[...]* ing purposes and for the purp[...] of ascertaining work in progre[...] the average interest paid or f[...] gone should be added to [...] depreciation of the capital ass[...] Interest forgone will be debit[...] to factory costs or to administ[...] tive costs but will be credited [...] the profit and loss account.

*P. L. Griffiths,*
*41, Gloucester Place, W.1.*

## Marketing research

Sir,—I have read with a c[...] siderable interest Mr. van Mu[...] *chenbroek's article of Septemb[...]* 9 and Mr. Aubrey Wilson's let[...] of September 16.

I entirely agree with [...] Wilson that "association" [...] achieving international covera[...] *is practically useless.* Ap[...] from the lack of motivation a[...] price reasons which he mentio[...] there *is also* the *aspect of* ti[...] wasted in trying to communic[...] the full understanding of [...] *client's needs. The answer is* international staff based in [...] or at the maximum two pl[...] but I am not sure that Londo[...] the right place because th[...] 20-odd miles of water make a[...] difference psychologically (t[...] "fog in the Channel, Britain [...] off" is more realistic these d[...]

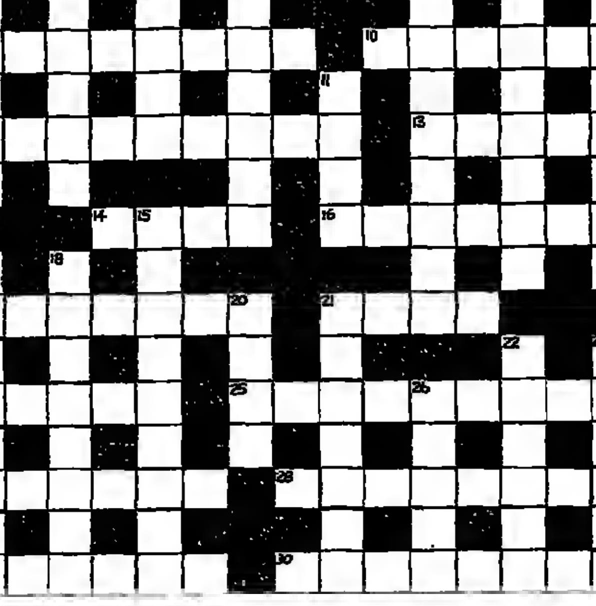
We should surely be talk[...] about international rather t[...] just European research. Thi[...] supposed to be achieved by [...] American "heavies." In pr[...] tice, however, they either [...] up from the U.S. if they [...] light on the ground in Eu[...] with obvious disadvantages [...] the language and understan[...] standpoint or pass subcont[...] to an overseas centre w[...] brings in practice all the p[...] lems of association—lack [...] motivation, cost and weakn[...] of client comprehension.

An ideal team which we [...] trying to achieve would be c[...] posed of seven to eight diffe[...] nationalities including Ame[...] (we have an American par[...] based in Geneva) which i[...] home in the market rese[...] environment of Western Eu[...] as in that of the U.S. [...] achievement of this ideal [...] quires vision, tenacity, and fi[...] cial resources. But if indu[...] market research companies [...] small and unable to att[...] capital backing, it is m[...] opinion mainly their *own* fa[...] because they do not put [...] realistic case to potential fi[...] *cial backers.*

Alan Gordon,
Chairman,
Gira.
*1249 Collex-Geneva.*



## F.T. CROSSWORD PUZZLE NO. 1,677



**ACROSS**

1 Grappling with the fish on hard rations (8)
5 Timely prevention of one over the eight (8)
9 Rather shy about causing weariness (8)
10 Horse takes strange but spicy liquid (3-3)
12 Union get-away? (9)
13 Reject pointed incitement (5)
14 Small Greek character abandoning revolt (4)
16 Objection to short expert trial (7)
19 Give area alternative vehicle (7)
21 Could be heard as the widow dropped it in? (4)
24 Softly leave the vicar to his felony (5)
25 Refuse to get the measure of the bird (9)
27 Remove the end of this item, apparently (6)
28 Proprietor who is always accommodating (8)
29 One hug can be sufficient (8)
30 A vessel came back in good condition and went first to be attacked (8)

**DOWN**

1 Let Jack obtain a mark (6)
2 The answer that is like a lemon (6)
3 Be free at it (5)
4 Suggested destination for young Danish lady (7)
6 Delightful conveyance (9)
7 He's painfully persuasive (8)
8 "The still, sad music of ——" (Wordsworth) (8)
11 Prevent containers turning up (4)
15 Fashionable care for designing (9)
17 Stand over the good man with a rod (8)
18 Let a soft voice emerge (8)
20 A heap of strain (4)
21 Fields where dome was dismantled (7)
22 Script in which I follow 100 with a fifty after organisation (6)
23 Ploughed common (6)
26 Can it be little Winnie? (5)

The solution of last Saturday's prize puzzle will be published with names of winners next Saturday.

## TV/Radio

* Indicates programme in black and white.

### BBC 1

*9.38 a.m. For Schools, Colleges. 12.50 p.m. A Chance to Meet Malcolm Muggeridge. 1.30 Andy Pandy. 1.45 News. *2.05 For Schools, Colleges. 4.25 Adventures of Parsley. 4.40 Jackanory. 4.55 Blue Peter. *5.20 Pegasus. 5.44 Magic Roundabout.

5.50 News.
6.00 London This Week.
6.20 Entertaining With Kerr.
6.45 *Ask the Family.*
7.05 Z Cars.
7.30 Now, Take My Wife . . . *starring* Sheila Hancock and Donald Houston.
8.00 Panorama.
9.00 Nine O'clock News.
9.20 The Troubleshooters.
10.10 Steptoe and Son.
10.40 24 Hours.
*11.15 Anatomy of Pop.

All Regions as BBC 1 except at the following times:—

Wales—*1.30-1.45 p.m. Ar Lin Mam. *6.00-6.20 Wales To-day. *6.45-7.05 Heddiw. *7.20-8.00 Fo a Fe.

Scotland—*6.00-6.20 p.m. Reporting Scotland. *11.42 Scottish News Headlines.

Northern Ireland—*6.00-6.20 p.m. Scene Around Six. *11.42 Northern Ireland News Headlines.

England—*6.00-6.20 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth). 11.42 Regional News Headlines.

### BBC 2

11.00 a.m. Play School.
6.35-7.00 p.m. Open University: Social Science 32.
7.30 News.
8.00 The Best of High Chaparral.
8.50 Call My Bluff.
9.20 Horizon: Your Country Needs You?—Civil Defence.
10.10 Thirty-minute Theatre.
10.40 News on 2.
10.45 Late Night Line-up.

### LONDON

10.20 a.m. and 1.40 p.m. Schools. 2.33 The *Communicators.* *2.55 Matinee. *3.25 Tales of Edgar Wallace. *4.30 Cartoon Time. 4.40 Yak. 4.55 Lost In Space.
5.50 News from ITN.
6.00 To-day.
6.20 *Crossroads.*
6.40 David Nixon's Magic Box.
7.30 Coronation Street.
8.00 *World in Action.*
8.30 Father, Dear Father.
9.00 The Rivals of Sherlock Holmes.
10.00 News at Ten.
10.30 The Return of the X Film: "The Gorgon," starring Peter Cushing and Christopher Lee.
12.00 Why Do They Do It?: Barbara Blake talks to Brother Louis who founded the immigrant advisory service "Advise."

All ITV Regions as London except at the following times:—

### ANGLIA

*3.55 p.m. Katie Stewart Cooks. 4.20 *Cartoon Time.* *4.25 *Anglia Newsroom.* 4.30 The Romper Room. 4.55 Flipper. 5.15 Freewheelers. 6.00 About Anglia. 10.30 The Brian Connell Interviews—Sir Michael Balcon. 11.05 The *Champions.* 11.58 Reflection.

### ATV MIDLANDS

3.10 p.m. Yoga for Health. 3.35 Tomorrow's Horoscope. 3.40 Women To-day. 4.10 Nanny and the Professor. 4.40 Origami. 4.55 Bush Boy. 5.15 Freewheelers. 6.00 ATV To-day. 10.30 The Guardians. 11.30 Personally Speaking: James Fox.

### BORDER

*4.10 p.m. Border News Headlines. 4.12 Nanny and the Professor. 4.40 Origami. 4.55 Pippi Longstocking. 5.20 Freewheelers. *6.00 Border News and Lookaround. 6.15 Survival. 10.30 The Odd Couple. 11.00 The Avengers. 11.57 Border News Summary.

### CHANNEL

3.55 p.m. Puffin's Birthday Greetings. 4.10 Once Upon A Time. 4.20 Moment of Truth. 4.50 Bush Boy. 5.15 Freewheelers. 6.00 Channel News and What's On Where. 6.15 The Flintstones. 10.32 The Avengers. 11.25 News and Weather in French.

### GRAMPIAN

3.30 p.m. Grampian News Headlines. 3.33 The Enchanted House. 3.45 The Flintstones. 4.15 Yoga For Health. 4.55 Land of the Giants. 6.00 Grampian News. 6.10 Junkin. 6.35 Cartoon Time. 10.30 Survival. 11.00 Katie Stewart Cooks. 11.25 Yukon Old, Yukon New. 11.50 Evening Prayers.

### GRANADA

4.05 p.m. News, followed by "Peyton Place." 4.40 Once Upon A Time. 4.50 Supercar. 5.15 Freewheelers. 6.00 Newsday. 6.15 *Nanny and the Professor.* *10.30 Late Night Thriller: "The Limping Man," starring Lloyd Bridges and Moira Lister.

### HTV

3.45 p.m. Women Only. 4.15 Tinkertainment. *4.30 Robin Hood. 5.00 Sky Hawks. 5.20 Freewheelers. 6.01 Report West. 6.22 Report Wales. 10.30 Late Night Cinema: "The Devil's Daffodil," starring Christopher Lee, Marius Goring and Albert Lieven.

### SCOTTISH

2.35 p.m. Facets. 3.30 Pinny and Sooty. 3.45 *Castle Haven.* 4.10 Dateline: Early. 4.55 Charlie Brown. 5.15 Freewheelers. *6.00 Scottish News. 6.20 The Flintstones. 10.30 Survival. 11.00 Late Call. 11.05 What Are You Doing After the Show?

### SOUTHERN

3.10 p.m. Yoga For Health. 3.35 To-morrow's Horoscope. 3.40 Women To-day. 4.10 Houseparty. *4.20 Mystery in the Moonlight. 4.30 The Best Of Lucy. 4.55 Lost In Space. 6.00 Day By Day. 10.30 Southern Scene. 11.00 Southern News Extra. 11.10 Farm Progress.

### TYNE TEES

2.30 p.m. Struggle for China (Part 2). 2.55 Interval. 3.10 Pied Piper. *3.15 Play with a Purpose. 3.40 Yoga for Health. 4.10 North East Newsroom. *4.15 Katie Stewart Cooks. 4.40 Once upon a Time. 4.55 Skippy. 5.20 The Freewheelers. 6.00 To-day at Six. 6.30 Love American Style. 10.30 Arthur Penn, director. 11.00 The Prisoner. 11.55 Late News Extra. 12.10 a.m. Yesterday's Child.

### ULSTER

4.00 p.m. Yoga for Health. *4.30 Romper Room. *4.50 Ulster News Headlines. 4.55 The Lone Ranger. *5.20 Freewheelers. *6.00 UTV Reports. 6.15 F Troop. *10.30 Monday Night with the Rev. P. McGowan, C.SS.R., St. Gerard's, Newtownabbey. *10.35 Monday Night: "She Didn't Say No," starring Eileen Herlie, Niall MacGinnis and Ian Bannen.

### WESTWARD

3.55 p.m. The Gus Honeybun Show. 4.10 Once Upon A Time. 4.20 Westward News Headlines. *4.22 Moment of Truth. 4.50 Bushboy. 5.15 Freewheelers. *6.00 Westward Diary. *6.20 Sports Desk. 10.30 The Avengers. 11.24 Westward Late News. 11.28 Faith for Life.

### YORKSHIRE

2.33 p.m. The Struggle For China. 3.00 Houseparty. *3.15 You and Your Child. 3.45 Yoga for Health. 4.10 Calendar News. *4.15 Katie Stewart Cooks. 4.40 *Once Upon A Time.* 4.55 Woobinda—Animal Doctor. 5.20 Freewheelers. 6.00 Calendar. 6.15 Branded. *10.30 Edgar Wallace. 11.35 All Our Yesterdays.

### RADIO 1 — 247m

Time checks, up-to-the-minute traffic reports and News summaries at 5.30 a.m., 6.00, 6.30, then every hour on the half-hour until 2.30 p.m., 3.00, 3.30, 4.00, 4.30, 5.30, 6.30, 7.00, 8.00, 10.00, 11.00, 12.00 midnight, 1.00 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.32, 8.32, 5.32 p.m., 6.32, 7.02, 2.02 a.m.

5.30 a.m. As Radio 2. 7.00 Tony Blackburn. 9.00 Johnnie Walker. 10.00 Jimmy Young. 12.00 Radio 1 Club. 2.00 p.m. *Tony Brandon.* 3.02 *Terry* Wogan. 5.00 What's New. 6.00 Sounds of the '70s. 7.02-2.02 a.m. As Radio 2.

### RADIO 2 — 1,500m; VHF

News summaries at 5.30 a.m., 6.00, 6.30, (VHF and 247m) 7.00, 7.30, 8.00, then every hour on the hour until 3.00 p.m., 3.30, 4.00, 4.30, 5.00, 5.30, 6.00, 6.30, 7.00, 8.00, 10.00, 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.02, 7.32, 8.02, 9.02, 5.32 p.m., 6.32, 7.02, 2.02 a.m.

5.30 a.m. *News.* 5.32 *Breakfast Special.* 8.27 Racing Bulletin. 8.55 Pause for Thought. 9.02 Pete Murray's Open House. 11.02 Morning Story. 11.15 Waggoners' Walk. 11.30 *Chacksfield in Limelight.* 12.02 p.m. Sam Costa. 2.02 Woman's Hour. 3.02 Terry Wogan. 4.15 Waggoners' Walk. 4.31 Sports Desk. 4.35 Charlie Chester. 6.02 Album Time with Brian Matthew. 6.50 Sports Desk. 7.03 Country Style. 8.02 Sweet 'N Swing. 8.45 Helen McArthur with A Smile and a Song. 9.15 Boxing: Heavyweight Championship of *Great Britain, Europe* and the Commonwealth. Joe Bugner v Jack Bodell. 10.32 *Late Night Extra.* 12.00 Midnight Newsroom. 12.05 a.m. Night Ride. 2.00 News.

### RADIO 3 — 194m, 464m; VHF

7.00 a.m. News. 7.05 Morning Concert: Glinka, Dvorak, Dukas, Vaughan Williams, Ireland, Britten, gramophone records. 9.00 *News.* 9.05 This Week's Composer: Prokofiev on a gramophone record. 9.40 Music for Strings: Stanley, arr. Finzi, Holy-Hutchinson, Elgar, Ireland. 10.25 The French Symphony since Berlioz: Messiaen, gramophone record. 11.45 British Song. 12.15 p.m. Midday Prom: Beethoven, Mendelssohn, Mozart, Wagner. 1.50 20th-century Choral Music: Bartok, Ligeti, gramophone records. 2.40 English String Quartet, part 1: Schubert. 3.25 The Interval: talk. 3.40 Quartets, part 2: Vranicky, Whettam. 4.20 Pied Piper. 4.40 Orchestral Concert: Lalo, Saint-Saëns, Gounod, Roussel, gramophone records. 5.45 Bandstand. 6.15 Concert Calendar. 6.25 Programme news and Stock Market Report. 6.30-7.30 Study on 3: Makers of *Jazz, part 4.* 7.00 Politics for Peace, part 4. 7.00-7.30 *Open University:* Arts 32. 7.30 Handel on gramophone records. 8.30 International Concert Season of the European Broadcasting Union on whose behalf Rias Berlin presents "the Rising Generation," part 1. 9.30 Not telling, but asking: talk. 9.50 EBU Concert, part 2. 10.45 The Morte O'Arthur, by Sir Thomas Malory. 11.15 Jazz in Britain. 11.45 News Summary.

### RADIO 4 — 330m; VHF

6.25 a.m. News Summary. 6.27 Farming Week. 6.45 Prayer for the day. 6.50 *Regional news, weather and preview.* 7.00 Today: magazine. The News. 7.40 Today's Papers. 7.45 Thought for the day. 7.50 Weather, preview and news. 8.00 News and more of Today. 8.40 Today's Papers. 8.45 The Day They Kidnapped Queen Victoria, part 6. 9.00 News. 9.05 Start the week with Richard Baker. 9.35-10.15 For Schools. 10.15 Daily Service. 10.30-12.00 For Schools. 12.00 You and Yours. 12.25 p.m. Desert Island Discs. 12.55 *Weather, preview and news.* 2.00 The World at One. 1.30 The Archers. 1.45 Listen with Mother. 2.00-3.00 For Schools. 3.00 Afternoon Theatre. 4.30 Story Time. 5.00 PM: News magazine. 5.50 Regional news, weather and preview. 6.00 News. 6.15 Al Read Expo. 6.45 The Archers. 7.00 News Desk. 7.30 My World. 8.00 Johnny's Jaunt in the Pacific: Johnny Morris goes island-hopping across the Pacific Ocean, part 1. 8.30 Scenes from *Family Life: play.* 9.30 *The Last Actor-Managers:* talk. 9.59 Weather. 10.00 The World Tonight. 10.45 From Samurai to the Ginza: Japanese life today, part 1. 11.00 A Book at Bedtime: Pride and Prejudice, part 4. 11.15 News. 11.31 Market Trends.

## Bank offers country cottage loans

**Financial Times Reporter**

MIDLAND BANK is prepared to look at middle-term loans which might be used to buy a second house or country cottage.

A bank spokesman said yesterday that the loans, to creditworthy customers, might be over seven to 10 years covering £2,000 or £3,000. The bank was thinking in particular of customers, perhaps in their 50s, who—although with much of the money for the second home—might find it difficult to raise the remainder through a building society.

The amount of interest payable would depend on personal circumstances, he added.

Among the banks considering the home loan situation is National Westminster which, as reported in the Financial Times on September 11, has already announced a new mortgage finance service with terms of five-10 years for borrowers, to whom *the usual building society* mortgage is not suitable.

Williams and Glyn's Bank also announced it *is introducing* a personal loan scheme for home improvements with payments spread over three-10 years.

## Heath to talk over problems of N. West

**Financial Times Reporter**

MR. HEATH is to meet the North West Industrial Development Association in Manchester on October 29 to discuss the problems of the region.

It is six months since the association first asked the Prime Minister to hold talks on the industrial, employment and environmental *issues affecting* the north west.

After studying an association memorandum outlining its problems, Mr. Heath informed the Association that he would meet its representatives on his next visit to the region and now the date in October has been fixed.

## Chaucer book in London sale

ONE OF THE world's rarest books will be on sale in London to-day with a £37,000 price tag.

It is among 20,000 books—total value £1m.—at the International Antiquarian *Book Fair,* the first time it has been held in Britain.

The rare book is a copy of Chaucer's *translation* of Boethius's De Consolatione Philosophiae, printed by William Caxton. It is being exhibited by a *Guildford,* Surrey, bookseller.

Other books include a second folio Shakespeare at £2,500 and a set of Gould's Birds of Britain at £3,500. Prices go down to £2.

The 86 exhibitors include six Tokyo booksellers.

## Racing

# First yearling sales

by DARE WIGAN

THE coming week is one of the busiest of the year as far as racing and the bloodstock industry are concerned. For instance, beginning to-day, and continuing until Saturday, Messrs. Tattersalls will be conducting their first important yearling sales of the season in the Park Paddocks at Newmarket, in addition to which there will be racing on the Dewhurst course on Wednesday, Friday and Saturday.

And on *Sunday* morning, aeroplanes will be plying between Heathrow and Orly, *filled with* English racegoers who have a long-standing engagement to watch *Mill Reef* perform in the Prix de l'Arc de Triomphe at Longchamp.

As far as the October Yearling Sales are concerned, the probability is that a new record, both in terms of aggregate and of average prices, will be established. For instance, the average price of *lots sold* at *these* sales has increased by nearly 1,000 gns., from 1,588 gns. in 1966 to 2,566 gns. in *1970;* and though the aggregate of 1,743,034 gns. last year was fractionally lower *than the record of* 1,746,641 gns. set up in 1969, that was explained by the comparative weakness of *the catalogue.*

In fact, as the above figures indicate, the barometer of the bloodstock market for yearlings has risen steadily over the past five years, impervious to fluctuating economic temperatures, and the sales that have already taken place this year—at Keeneland and Saratoga, at Doncaster, and at Ballsbridge in Ireland last week—suggest that trend will continue.

At Ascot on Sat[...] *Brigadier Gerard* duly wo[...] Queen Elizabeth II Stakes [...] margin officially estimate[...] have been eight lengths from [...] French four-year-old, *Dictus,* [...] was never in the slightest da[...] of defeat at any stage of [...] contest. *Later* in the aftern[...] *Yaroslav,* a half-brother [...] *Santa Claus* to *Altesse Ro[...]* gave a workmanlike display [...] finishing 1½ lengths ahead of [...] Irish-trained *Home Guard* in [...] Royal Lodge Stakes, foll[...] which he was installed favo[...] at 7-1 for next year's Derby.

At Nottingham this aftern[...] *Shamsan,* who finished [...] lengths ahead of *Caracor[...]* *Redundant* in a maiden ra[...] the Doncaster St. Leger me[...] ought to win the Foston N[...] Handicap (3.00), bearing in [...] that *Redundant* has since w[...] Lingfield. *Certainly, the* h[...] capper would have allotted [...] considerably more than 8 st[...] had he had the Doncaster [...] at his disposal.

***SELECTIONS***

**Nottingham**

2.00—Pilamenon
2.30—Nice Dame
3.00—Shamsan***
3.30—Plummet**
4.00—Chadleigh
4.30—Sovereign Plea

**Hamilton**

2.30—Flight Master
3.00—Parthia's Image
3.30—Royal Ride
4.30—Bird*

هكذا من الأجل

Covent Garden

# Götterdämmerung

by RONALD CRICHTON

This nneven *Ring*, at its best eaching the high musical level f previous years, at its worst o nninteresting that one won- ered if Covent Garden have eally understood the strength f competition now coming from adler's Wells and Scottish pera, wound to its end on aturday with an uneven *Götter- ämmerung*. Again Downes's onducting had the virtue of tting the voices through with- ut reducing the role of the rchestra to mere accompani- ent. Seldom can there have een a *Götterdämmerung* where much of the text could be nderstood.

Another of Downes's virtues, oly wanting on Saturday in the orns' scene, which sagged in e middle, is to keep the music oving. In a conductor who oes not so far feel his way deeply into Wagner as he oes with Verdi and the Rus- ans, this is an advantage even hen it means animation as a bstitute for real vitality. And vice, in this performance, one lt the genuine surge and glow during Siegfried's narration, gain at the very end of the pera—which help to explain hy Wagner's devotees return his operas again and again, rough thick and thin.

Helge Brilioth admirably com- eted the portrait of the hero ably begun in *Siegfried*. This me, since we had got nver the ock of a Siegfried who not ly looks right but acts with nuine intelligence, it was sier to concentrate on his sing- g, to admire the individual, tty quality of the tone, to joy notes properly taken and rases musically formed. Only Siegfried's last words, and en surely not because the voice d tired but in an attempt at eater realism, did his tone rden. Covent Garden must ke sure they secure Mr. lioth for the future.

More singing of outstanding cellence came from the Hagen, rl Ridderbusch, who can ject a line of classical purity h the subtlest inflections, and y the weight of sound from lightest but always perfectly jected pianissimo to a magni- ntly full-throated summoning the vassals. Mr. Ridderbusch de one long to hear him as ieder singer, and not many gnerian bass-baritones do t. His acting was also strik- , but perhaps because his ging was so exceptionally ressive, his movements in e of their eloquence some- es seemed to have been rked out separately rather n to grow out of the music.

Amy Shuard's Brünnhilde, bright as ever at the top, was only intermittently effective lower down, where the solid middle the music calls for too often ebbed away. She was at her best in the lament after the revelation of Siegfried's appa- rent treachery. In the Immola- tion she made a gallant finish after a bad patch in "Ruhe, ruhe." As Waltraute Ruth Hesse, though on this occasion there was no difficulty in hear- ing her words, was tiresomely artificial. Likewise the Gutrune of Wendy Fine, a newcomer from South Africa via Cologne. The voice is as promising, as the face is pretty but the attempt to draw Gutrune solely as a neurotic sexpot is mistaken. Marius Rintzler sings Alberich so well that one forgives him for being such a mild embodiment of evil. John Shaw's Gunther began and ended well but suf- fered a nasty bout of wobble in Act 2.

Some comparison with a *Ring* cycle I saw in February at Stutt- gart is inevitable if only because there are lessons to be drawn for the future. The Covent Garden orchestra, the casting of the smal- ler roles and to some extent of the larger ones as well, are on a much higher level. Even allowing for the greater pleasure and peaceful- ness of Wagner-going in a medium-sized German town with the opera house not tucked away in a narrow street but in a park of central and easy access, the total experience was greater at Stuttgart. Wieland Wagner's production, fifteen years old, is run down and blunted at the edges, but there are still traces of a powerful initial conception and a controlling mind. Visually it remains beautiful.

One reason why the first Lon- don cycle this year has not rival- led that total experience has been the spacing of the performances—*Rheingold* and *Walküre* on suc- cessive evenings, then gaps of over a week between the rest. It is diffi- cult with such gaps to feel the mounting tension, the drawing to- gether of threads, in Wagner's conception (the second cycle is sensibly tucked into the present week). And since first rate Wag- ner singers are few, and not all of them equally suited to the big roles at every stage of the charac- ters' development, may we not in future experiment with different Wotans and Brünnhildes in the same cycle? Hearing three Wotans and (by accident, it must be ad- mitted) three Brünnhildes in one week at Stuttgart was by no means as disconcerting as it sounds. Ex- cept with the great interpreters such as Varnay, it is Wagner's musical characterisation rather than the features and voice of a given singer, that one carries over from evening to evening.

Elizabeth Hall

# Fires of London

t the ICA in November—part the "German Theatre—New ections" season which opens Thursday with Handke at the n Space—Friedelind Wagner es a talk entitled "Let's Boulez burn down the ra houses." Peter Maxwell ies would hardly want his es to assist in such arson, e his own *Taverner* is due the Royal Opera House this son; yet he has been a notable tributor to that other, more ible, less-expensive kind of era," or music-theatre, which ngs drama to the concert-hall. nze's *El Cimarrón* and *asha Ungeheuer* and Davies's *gs for a Mad King* and *Vesalii es* are perhaps the charac- stic "operas" of our day. *Vesalius Images* — naked cer and white-robed cellist on stage with a pub piano and ed cloth as the only décor, players in the pit—has been ired since first it appeared, rly two years ago. It drew ll house to the Fires concert Saturday, and received what perhaps its most gripping n if at some points not its t accurate) performance yet.

here were other attractions: London première of Davies's cantata, *From Stone to Thorn*, commissioned by Jesus for the 400th anniversary and described in these pages after its Oxford première in June; an attractive colourful piece of fresh bright detail, a small pageant of the seasons with a strong structure of gritty ritual. The first public performance here, of Webern's "Cello Sonata," that movement of 1914 discovered in 1965, a compelling work, cogently played by Jennifer Ward Clarke and Stephen Pruslin. And the première of David Rowland's *Tetrad*, 20 minutes for flutes, keyboards and percussions, plus tapes, in which I enjoyed the playing of Judith Pearce and Barry Quinn while failing to make much of the composition.

But *Vesalius* dominated the evening. The piece has been recorded, on Unicorn RHS 307 (£2.24), and listening to that per- formance we can give full atten- tion to the pungency, the strange penetrating genius of Maxwell Davies's musical mind. But the work comes fully to life only when it is fully performed, when William Louther—one of the great dancers of our day— embodies the images so vividly that one hardly knows whether one is seeing, hearing or feeling.

ANDREW PORTER

indsor Festival

# King's Singers

he majority of Windsor's ival events are thickly ited with Menuhins. Yehudi ears in nine of the 15 prin- l concerts, with his wife na as narrator, his son emy as pianist, his Festival hestra and students of the nuhin School. Describing his ival on Radio 4 last week, udi was also plugging his h air and virgin vegetables, looked forward to a pyramid arvest produce in St. George's pel; but was disappointed: even an unpolluted potato with the programme.

utside visitors to this year's ival consist of two violin ata evenings (Itzhak Perlman André Previn to-night; Neil kovsky with William Glock Saturday); also the Early Consort with its "Music Golden Age" programme nesday). The Clerkes of xford (final concert, Satur- and The King's Singers, gave an outstanding con- last Saturday evening.

e King's Singers are at pre- in that awkward threshold that besets the launch- of unorthodox ensembles. have given a handful of don concerts and have many e scheduled: all have been ved with ecstasy. In a more concerts time every- y will be familiar with the sual kind of singing in which specialise, and know how ellently they do it; but at moment we must still spell ut. These are six young men, ly fresh from King's College, nbridge—where, like The kes of Oxenford and The olars, they first came together choral scholars.

e King's Singers specialise accompanied and close- ony singing, and have ieved a truly remarkable se of ensemble. They also re over their rivals in strong rhythmic sense, and intonation so precise that it clearly spells the name of their old master, David Willcox. But the en- semble's components have character when necessary. The two baritones have contrasting tones, the bass is as sure and sweet as a 16-foot flute stop on a Flentrop organ, the tenor is rich English; finally, give me the smooth, clean style of the male soprano and alto any time.

Saturday's programme was intelligently varied, beginning with a refined, unusually expres- sive performance of Tallis's *Lamentations of Jeremiah*, and demonstrating later how juicy they can sound in lush, romantic music like Poulenc's *Quatre Petites Prières*. They also sang two new pieces in lighter veins. Geoffrey Poole's *Wymondham Chants* are four settings of anonymous 15th century lyrics in six parts. Their language is essentially an austere contra- puntal setting in which the features of medieval chant pre- dominate; but Poole threads them with post-Hindemith har- monic twists, and adds humour and wit to the second piece, which is a comedy scherzo pic- turing the devil Tutivillus who inspires those who gossip and mutter in church.

After the interval, the King's Singers shed formal dress for coloured shirts in keeping with a "Cantata in Popular Style" by Joseph Horovitz. With words by Michael Flanders, *Captain Noah and his Floating Zoo* was originally conceived for two part singing with jazz trio, presum- ably to carry on the long line of school favourites since *Jonah-Man Jazz*. Horovitz had rearranged it to suit the King's Singers six parts, and the fat, squelchy harmonic result added extra sauce to an amusing and entertaining idea.

GILLIAN WIDDICOMBE

Playhouse, Nottingham

# Richard III

by B. A. YOUNG

Peter McEnery emphasises in his remarkable production of *Richard III* that the play is fiction rather than history, a black comedy using fact only so far as is needed to provide a roaring tale and put across the currently favoured political attitude.

So instead of trying to make its extravagant events realistic, he reduces them to their simplest but most potent elements. For instance, when Hastings is led off to execution, he virtually passes Catesby and Ratcliffe coming on with his severed head. Richard's villainy is as palpable as him- self; as each of his victims dies, he personally hangs the body on the vast gibbet that dominates the scene from the middle of the stage. On the night before Bos- worth, the gibbet revolves to con- front him with each sad corpse in turn, while airborne voices bid him despair and die.

Richard is kept firmly at the forefront, a soloist in a concerto. There's a hint of motley in the costume William Passmore has designed for him, and Leonard Rossiter, in a vividly macabre performance, gives full rein to his graveyard humour. He's not much deformed, a slight hump at the shoulder, a stiff-kneed walk; but the quizzical turnings of the head, the swivellings of the eyes, the knowing nods (all so characteristic of Mr. Rossiter that he must beware of letting them become mannerisms) sug- gest a deformity of spirit more alarming than any physical defect.

Sinister bizarreries constantly underline Richard's grisly sense of fun. Clarence (a tortured

Leonard Rossiter

performance by John McEnery) in a protracted death-scene is first stabbed, then coshed with a mallet, then dispatched with a blunderbuss before being stuffed into his wine-barrel. Shake- speare's anonymous murderers are appropriately personified as Catesby and Ratcliffe, the ubiqui- tous villains with their whiff of Murder Inc.

Almost throughout, the stage is dressed with silent crowds of black-clad dummies. Skilfully handled, they produce mobs, armies or simple backgrounds, while emphasising the potential of the simple English citizen to become a weapon, a menace, a buffer or a barrier.

These fresh and unexpected touches give the text exceptional clarity, as sharply immediate as a children's picture-book. The sharp edge is honed by some wholesale cutting—inevit- able no doubt but regrettable just the same—in which Mr. McEnery seems deliberately to have excised any touch of pathos that might soften the story. Tyrrel isn't allowed his sad account of the little Princes' death, nor the Bosworth ghosts their benisons on the sleeping Richmond. Queen Margaret (Heather Chasen, very good) is deprived of her great scene with Queen Elizabeth and the Duchess of York; the Duchess, in fact, is dispensed with altogether.

The gains, however, infinitely outweigh the losses. Clearly Mr. McEnery's interesting *Merchant* at Chester was no flash in the pan; he has a fresh, imaginative approach that seems to me uncommonly exciting.

Elizabeth Hall

# Felicity Palmer

Bach's cantata *Jauchzet Gott in allen Landen* is without question one of the most difficult works in the soprano repertory. That Schweitzer recommended all sopranos interested in singing Bach to practise it daily was like suggesting all sedentary workers interested in losing weight to practise running a mile in four minutes before breakfast daily. The problem is partly the coloratura style demanded over such a wide range; partly the fact that the trumpet obbligato provides almighty competition in the opening aria. And even when pitch and phrasing have been achieved, there is the fact it is a joyous cantata and needs a pungent, thoroughly brilliant performance. Even Elly Ameling, one of the most accomplished of all Bach sopranos, fails here on the recording released recently by Philips.

So to find this cantata scheduled for last Friday's Elizabeth Hall concert with its best trumpeter, John Wilbraham, and a soprano whose name is not well known might have been a surprise. However, Felicity Palmer is without doubt among the most talented young singers in this country. I heard her first a couple of years ago, when she sang Purcell's Dido with the Thomas Tallis Society at Eltham Palace; and was then astonished at both the quality of voice (which is the Heather Harper kind of soprano) and her re- markable technical control. At that time she seemed almost too well trained, and though her Dido was expressive there was a sense of something held back.

Last year Miss Palmer won the Kathleen Ferrier Memorial Scholarship, and has graduated from consort work to proper solo engagements. There is now confidence and firm conviction in her singing. This was a superb performance; every note in place, every phrase in shape, and the whole edged with brilliance. The Camden Chamber Orchestra, whose conductor is John Lubbock, gave a tidy and sensi- tive accompaniment. Later they were similarly adventurous and played that sublime tape- worm for 23 solo strings, Strauss's *Metamorphosen*. Lines and climaxes had been intelli- gently worked out, but the per- formance was perhaps unfairly dominated by the fact that the leading violin was markedly stronger than his young colleagues.

GILLIAN WIDDICOMBE



SPORT: SOCCER ... RUGBY ... CRICKET

# Initial success for Bert Head's big gamble

BY TREVOR BAILEY

AFTER the most tumultuous week in the club's life and one of the most spectacular gambles on the transfer market of all time, the new-look Crystal Palace beat Everton on Saturday 2-1 to give them their second victory of the season and hope for the future.

It would be plainly foolish to talk in terms of revival on the evidence of one match against insipid opposition with the flim- siest of defences, but it would be true to say that Crystal Palace harmonised considerably better than could have been reasonably expected. What was especially important was that the players managed to win over the doubters among their fans and had the crowd behind them, thus producing an atmosphere more akin to a cup tie than an ordinary league match.

## Vital game

It was in fact a vital game to win, as it sent the supporters home happily talking about the sagacity of Bert Head and keen to come again. But if it had been lost I fancy some of them would have been chanting "bring back Kember and Birchenhall" and making some far from complimentary sug- gestions about what should be done to the manager.

The Crystal Palace crisis has once again highlighted the diffi- culties that a good, but not ex- ceptional Second Division club has in establishing themselves among the elite. They were really carried into the First Division on a wave of energy and enthusiasm which tended to camouflage an obvious shortage of class. Although Palace did acquire some new players last year and spent £140,000 on the Chelsea pair, Birchenhall and Tambling, they were always struggling to avoid relegation. They escaped, but not very convincingly. Yet it did not require second sight to predict that the odds were strongly against them making much impression this year, even if three points from nine games must have exceeded the most pessimistic of prognostications.

With the players losing heart and confidence and the sup- porters losing interest and patience, there arose the situa- tion every manager dreads. There are really five courses open to him. He can have a nervous breakdown. He can resign. He can go down with his team. He can throw in some youngsters at the deep end. He can enter the transfer market.

Bert Head decided upon the last solution, but with one big difference. Before purchasing anybody—and here it must be remembered that Crystal Palace are not one of those clubs who can afford to splash out £100,000 on first team cover—he was able to sell Kember and Birchenhall, two of perhaps six players at Selhurst Park about whom it could be said that they possessed genuine First Division pedigrees, for £270,000. With this enor- mous sum he was able to enter the transfer market and three of his purchases were on display on Saturday, while Goodwin is coming from Airdrie and an- other centre forward is likely to be acquired in the near future.

The three buys—Bell, Craven and Kellard—are all competent performers and, though they might not be able to command regular places in some First Division clubs, they made im- pressive debuts, which says much for Bert Head's judgment.

The most remarkable thing was the ease with which all three slotted into the team. Bell is a strong, rugged centre-back who immediately teamed up effec- tively with the uncompromising McCormick and between them they virtually blotted out the threat of Royle and Johnson.

Palace employed an uncompli- cated 4—3—3 system with two of the newcomers in the midfield trio which also contained Mel Blyth, who apart from scoring a stupid goal for the opposition in the closing minutes, had an outstanding match. On his right was the former Blackpool player, Craven, who was at his best in the first half when he frequently broke through from behind. He did not appear so happy in a defensive role and noticeably tired towards the end.

## Experienced

Working industriously, mainly on the left and in front of Blyth, was the chunky, experienced Kel- lard, who played such a vital part in Leicester's promotion last season. He provided Palace with the craft which has so often been absent. His beautifully chipped forward passes frequently opened up the Everton defence and the home side could well have scored two more goals. Certainly both Taylor and Queen revelled in the excellent and accurate service Kellard provided them.

Will the biggest gamble of Bert Head's career succeed? I would not like to bet on it at this stage, but I hope it does, as I would like to see Crystal Palace re- main in the First Division, be- cause they have worked so hard to reach it and have both the ground and the crowd potential to support it.

# Amateurism—pros and cons

BY PETER ROBBINS

IN ITS brief manifesto entitled "Attitudes to the Game" issued in July, the Rugby Union warned that the game was in danger of becoming too gladi- torial.

The RFU felt it important to emphasise that the game was strictly amateur and what, while to win was the prime object of any game, it was not to be done at any price. The manifesto's final paragraph urged that every coach should understand the ethics of the game and by example and precept ensure that these ethics are applied in the teaching of the game.

All very laudable, yet there is a faint irony that the mani- festo should be issued at a point in Rugby history when as a result of Welsh successes and the triumph of the Lions, a non- amateurish approach to the game has become universally accepted.

It is perhaps more than a coincidence that this is the first season of the Rugby Union knock-out cup, and head office seems to be applying a gentle handbrake on the ultra- progressives as opposed to an emergency stop. It seems to me that the two attitudes are per- fectly reconcilable.

Enthusiasm for Rugby cannot be generated purely by the written word. It needs the proselytising of good communi- cations between the national coach and the important men in the field. So it is good to hear that the RFU has approved the appointment of 20 or so staff coaches who will be the direct link between Don Rutherford at Twickenham and the club coaches.

Yet because of the Lions' brilliant success, should we not be thinking more widely of British as opposed to national rugby? With the tour still fresh in the public's mind could not the Lions make a three-part film showing tactics they used, the pressure training involved to develop skills and the sort of physical training they carried out?

## Permanent

This would be a permanent record of that tour but what it could not do is convey fully the mind of Carwyn James, the coach, because his conception of the game is simultaneously aesthetic and realistic. He should be given the chance of addressing a sym- posium to expound his philo- sophy.

This is surely still within the amateur ethic of the game. Imitation and emulation are vital points in a rugby player's development and this of course is where Wales has the great advantage over the other countries; inspiration breeds inspiration.

Turning finally to England and her own serious problems there is first the question of the coach to be settled. It has not been officially stated, but there is no doubt that John Burgess is in Japan on probation. Assuming he is appointed as coach for this season, it appears, incredibly, that he will not have a say in selection.

Of course this year is experi- mental, both for the selectors and the coach, but I would have thought that a man coaching a side has a right to a say in the material he has to mould.

The new chairman of England's selectors, Mr. D. L. Sanders, is optimistic (he has to be of course) and if anyone can remotivate the players it is he. His job is not made any easier by some unadventurous selec- tions at county level which slow down the impetus of England's young players in their vital development.

England should do a lot better this year since the stress of the centenary has gone. Very few of the players were involved in the Lions tour. And there should be much more involvement throughout the regions with the Japanese tour substantially assisting team cohesion.

# A season full of interest

BY TREVOR BAILEY

ALTHOUGH the 1971 cricket season cannot hope to rank as a classic, it was full of interest and did contain a number of memorable moments.

With a very late burst Surrey deservedly won the county championship, Worcester some- what fortuitously became the new title holders of the Sunday League when the Lancashire machine uncharacteristically blew up in the last match, and the Gillette final provided some out- standing entertainment.

## Ineffectual

At international level England, with just about the weakest and most ineffectual middle order in their history, were a shade un- lucky to lose the series against India and a shade lucky to beat Pakistan. The two visiting teams were probably the strongest that either country had ever sent here and consequently it was unfor- tunate that these had to be mini, rather than major, tours.

Most cricketers will be pleased that Surrey managed to oust Warwickshire from the top of the table, because their playing record is far superior. It would, indeed, have been something of a travesty if the championship had been carried off by a team who had won nine matches and lost the same number. The Midlanders' position was mainly due to the large number of artifi- cial batting bonus points they acquired, while their bowling, apart from Gibbs, lacked the penetration and class one expects from title holders. This basic weakness showed up clearly in the Sunday League where they finished at the foot of the table.

In complete contrast Surrey were able to call upon just about the best balanced attack in the competition and the key to win- ning two innings matches, as dis- tinct from limited over games, are bowlers. This was especially true in the case of Surrey whose home games take place at the Oval where it is often difficult to achieve a definite result.

They had three good opening bowlers—Arnold, one of the com- paratively few English-born pace- men who does swing the ball ap- preciably in the air, the whole- hearted Willis and the under- rated Jackman. In support were the dependable Storey and the promising Roope, plus the con- trasting spin of Intikhab, Waller and Pocock. The last named would surely have gone to India with the MCC this winter if the tour had not been called off.

## Disappointment

The Surrey batting was less impressive and sometimes dis- tinctly pedestrian. One of the dis- appointments has been Younis who so often reached an attrac- tive 20 or 30 and then proceeded to throw his wicket away with an injudicious stroke. On the other hand, Roope has made a marked advance and is one of the few young batting prospects around at the moment.

The John Player League produced more excitement and larger crowds than ever before, mainly because right up to the final stages a number of clubs had a chance of capturing the title, and back in June, few out- side their supporters could have believed that Worcester would finish on top even with their full side. What is especially meritorious about their perform- ance is that they continued to win despite injuries to the best players. Their acting cap- tain Headley must be congratu- lated on the way he played a number of vital innings when they were most needed in the closing matches.

Essex, who acquired the same number of points as Worcester and came second because of a run rate which was fractionally less, were again one of the best exponents of limited over cricket, and with the addition of a good batsman could have done really well in the county championship.

The most improved team in the country was Somerset who for a time looked capable of acquiring both titles, while Kent at full strength were just about the best team in all forms of the game. Lancashire had another good season though a question mark remains against their attack, apart from their opening pair.

Gloucester would almost certainly have finished higher in the championships if they had remembered earlier that David Allen is still a top class off spinner, while this year Procter looked almost a better all rounder than Sobers, and no praise can be higher than that.

## Incredible

Finally Geoff Boycott made absolutely certain of becoming one of the games's immortals by finishing the season with a batting average of over 100 and scoring 2,503 runs which in- cluded 13 centuries. This is an incredible performance even for this unique batting automaton. He is a great player and at the present moment there is no other English batsman anywhere approaching his class.

He provides a fine example of the perfect marriage of masterful technique and intense applica- tion. Although 1971 saw his most memorable personal achieve- ment, Yorkshire, under his com- mand not only played poorly, but failed to do themselves justice. It will be interesting to see if Geoff can bring some of his skill as a performer to the art of leading a team. Brian Close be- lieves that he will do this, given time, and in two or three years he may become an outstanding skipper as well as being the ideal run making machine.

# Businessman's Diary

## U.K. TRADE FAIRS AND EXHIBITIONS

| Date | Title | Venue |
|---|---|---|
| To-day | International Antiquarian Book Fair (cl. Sept. 29) | Europe Hotel, W. |
| Sept. 28—29 | Intnl. Cabinet-Styling Accessories Exhibition | Hotel Russell, W. |
| Sept. 28—29 | Ultrasonics for Industry Exhibition | St. Ermin's Hotel, W. |
| Sept. 28—30 | Computer Peripheral Exhibition | Seymour Hall, W. |
| Sept. 28—Oct. 1 | Dust Control and Air Cleaning Exhibition | Olympia |
| Sept. 28—Oct. 1 | *International Freight Show* | Earls Court |
| Sept. 28—Oct. 1 | International Filtration and Separation Exhibition | Olympia |
| Sept. 29—Oct. 23 | Midlands Ideal Home Exhibition | Bingley Hall, Birmingham |
| Oct. 3—6 | Shoes for Spring Exhibition | Mount Royal Hotel, W. |
| Oct. 3—7 | London Pram Fair | Bloomsbury Centre Hotel, W. |
| Oct. 5—7 | Environmental Health Exhibition | Eastbourne |
| Oct. 5—7 | Menswear Association of Britain Exhibition | Exbn. Centre, Harrogate |
| Oct. 5—7 | National Housing and Town Planning Exhibition | Spa, Scarborough |
| Oct. 5—8 | Manchester Electronics Exhibition | City Hall, Manchester |
| Oct. 6—7 | East Midlands Catering and Bakery Exhibition | Granby Halls, Leicester |
| Oct. 5—13 | Business Efficiency Exhibition | Olympia |
| Oct. 8—29 | Brassfoundry Exhibition | Building Centre, W.C.1. |
| Oct. 11—14 | National Pram Fair | Harrogate |
| Oct. 11—15 | Selling Point of Sale Exhibition | Olympia |
| Oct. 12—15 | Engineering Inspection & Quality Control Exbn. | New Hortic. Hall |
| Oct. 14—23 | Kensington Antiques Fair | Kensington Town Hall |
| Oct. 18—21 | Junior Fashion Fair | Old Hortic. Hall |
| Oct. 20—30 | International Motor Show | Earls Court |
| Oct. 25—28 | International Safety Exhibition | Olympia |
| Oct. 25—28 | International Research and Development Exbn. | Olympia |
| Oct. 25—29 | Greater Peterborough Development Exhibition | Royal Lancaster Hotel, W. |
| Oct. 25—30 | International Audio Fair | Olympia |

## OVERSEAS TRADE FAIRS AND EXHIBITIONS

| | | |
|---|---|---|
| Current | International Office Equipment Exhn. (cl. Oct. 2) | Paris |
| Current | Intl. Fine Food & Provisions Exhn. (cl. Oct. 1) | Cologne |
| *To-day* | Irish Packaging Exhibition (cl. Oct. 1) | Dublin |
| Sept. 28—Oct. 2 | Nairobi Show | Nairobi |
| Sept. 29—Oct. 5 | Technical Fair | Stockholm |
| Sept. 30—Oct. 5 | Instrument and Automation Exhibition | Johannesburg |
| Oct. 1—5 | International Exhibition for Pharmacists | Basle |
| Oct. 1—6 | British Consumer Durables and Carpets | San Francisco |
| Oct. 2—5 | Furniture and Furnishing Accessories | Lyons |
| Oct. 2—10 | European Machine Tool | Milan |
| Oct. 3—7 | International Fashion Week | Munich |
| Oct. 5—8 | International Hotel and Restaurant Show | Malmo |
| Oct. 7—17 | International Motor Exhibition | Paris |
| Oct. 10—12 | Sports Goods Equipment, Camping and Garden Ex. | Cologne |
| Oct. 10—13 | Ironmongery Show | Brussels |
| Oct. 11—14 | National Hardware Show | New York |
| Oct. 14—20 | International Instrumentation & Automation Exbn. | Dusseldorf |
| Oct. 14—21 | International Chemical and Foodstuffs Equip. Exbn. | Utrecht |
| Oct. 14—23 | Machine Tool Exhibition | Sydney |
| Oct. 17—19 | Autumn Textile Fair | Hamburg |
| Oct. 18—24 | International Shop & Restaurant Show | Brno, *Czechoslovakia* |
| Oct. 20—23 | European Marine Trades Exhibition | Hamburg |
| Oct. 23—26 | Intnl. Exhibition for Horticultural Technology | Ghent |
| Oct. 23—31 | International Exbn. of Hospital and Medic. Equip. | Brussels |

## BUSINESS AND MANAGEMENT CONFERENCES

| | | |
|---|---|---|
| Current | Eng. House Mngt. Ctr.: *Design Skills* (cl. Oct. 1) | Clifton Down, Bristol |
| Current | Education for Bus.: Japanese Industry (cl. Sept. 28) | Portman Hotel, W. |
| Sept. 29 | Mngt. Centre for Europe and the Financial Times: Company *Survival in* the Science Based Industries | *The Hague* |
| Sept. 30 | Times-IBC: What Business Must Do Now | Grosvenor House, W. |
| Sept. 30—Oct. 2 | Institute of Purchasing and Supply Conference | Assembly Rooms, Harrogate |
| Oct. 1—3 | Asscn. of Cert. Accnts.: Management Information | Excelsior, London Airport |
| Oct. 4 | IWM/Intex: Profits and Growth from Quality | Park Lane Hotel, W. |
| Oct. 4—5 | IncomTec: Manfacturing Costs | Waldorf Hotel, W. |
| Oct. 4—6 | P & P Travel: Plating Plastics and Metals | Royal Commonwealth Soc., W. |
| *Oct. 4—8* | *P-E Consulting Group: Quality Management* | P-E Centre, Egham |
| Oct. 6 | Investors Chronicle: Capital Protection | Inn in the Park, W. |
| Oct. 7 | Legal Studies: Industrial Relations Act | Royal Lancaster Hotel, W. |
| Oct. 7—8 | Jefkins: Maximising Press Coverage | Connaught Rooms, W. |
| Oct. 8 | Local Govt. Chronicle: Programme Budgeting | Apex Restaurant, Olympia |
| Oct. 12 | Ind. Soc.: Reducing Sickness Absence | Robert Hyde House |
| Oct. 12—13 | Brunel University: Organisation-Options for Mngt. | Cntr. Airport Hotel, Heathrow |
| *Oct. 13—14* | *Financial Times-IC: Residential Property* | Dorchester, W. |
| Oct. 14—15 | Brit. Inst. Mngt.: Effective Speaking | Chartered Accs. Hall, E.C. |
| Oct. 14—15 | Brisch Birn: Cost Improvement | Portman Hotel, W. |
| Oct. 14 | Management Courses Ltd.: VAT '71 | Prince of Wales Hotel, W. |
| Oct. 15 | Mngt. Training: The Industrial Relations Act | St. Nicholas Circle, Leicester |
| Oct. 17—22 | Kepner Tregoe: Management Training Course | Whately-Hall, Banbury |
| Oct. 17—22 | Wales Int. Mngt. Ctr.: Industrial Marketing | Angela Hotel, Cardiff |
| Oct. 18 | Inst. Credit Mngt.: Credit & the Common Market | Royal Garden Hotel, W. |
| Oct. 18 | Guardian Bus. Servs.: Executive Redundancy | Hyde Park Hotel, S.W. |
| Oct. 18—19 | Fin. Techniques: Personal Financial Planning | Brown's Hotel, W. |
| Oct. 19 | Intnl. Trade Information: Industrial Relations | *Mount Royal Hotel, W.* |
| Oct. 19—21 | Ed. for Bus. & Ind.: Target Engineering Output | Kensington Palace Hotel, W. |
| Oct. 19—21 | Mktg. Improvements: Industrial Selling | Bloomsbury Cntr. Htl., W.C.1 |
| Oct. 26 | Assoc. Business Programmes: Commercial Contracts | Royal Garden Hotel, W. |
| Oct. 27—28 | Financial Times: Industrial Relations | Savoy Hotel, W.C.2. |

## Transport Expo in the U.S.

Dulles International Airport in *Virginia, U.S.*, will provide the site for what is claimed to be the world's largest transport exhibition next year on May 27-June 4.

More than 500 companies from all parts of the world have been invited to take part, and 1m. visitors are *expected*. Exhibition space will be around 1.3m. square feet, and two new highways are being *specially* built, linking Dulles Airport with Washington. The U.S. Government will contribute $3m. and $3.8m. is expected from ticket sales, rental, exhibit and parking fees.

Emphasis will be on land and water transport, and research vehicles such as magnetic suspension high-speed trains. The world's largest aircraft, the C5A Galaxy, will be on display, and it is also hoped to have the *Concorde* and the Russian TU-144.

## Second Infofair

The second Infofair and its accompanying conference Infoforum, first held in 1968, will be at Imperial College, London, on January 4-6.

The exhibition will cater for the complete range of services and products associated with techniques of information retrieval, *storage* and application. Eighty per cent. of the total exhibition space of 5,000 square feet *has been* sold to date.

Among speakers at the conference are Lord Robens and Mr. Nicholas Ridley, Minister at the DTI.

## Communication

The Electronic Engineering Association will support the Communication '72 conference and exhibition to be held at the Metropole convention centre, Brighton on June 13-15, 1972. This follows several attempts in recent years to devise some form of promotion to cover the field of radio *and telecommunications* equipment, which proved unwieldly, and the more precisely defined event to cover radio and data communication has been welcomed by EEA member companies.

The associated conference will be devoted to civil and military communications techniques and equipment.

# Menai rail bridge may reopen by end of year

By Ray Dafter

MR. J. POSNER, general manager of British Rail's shipping and international services *division*, is hopeful that the fire-damaged Britannia Bridge, over the Menai Strait, North Wales, will be reopened before the end of the year.

British Rail is still cautious over the reopening date, however. A spokesman said the prolonged delay was due to various engineering *factors*, including delivery delays.

Meanwhile, container traffic through Holyhead is being seriously curtailed. Freightliners, which plans to operate services between Holyhead and London, Birmingham, Nottingham, Sheffield, Manchester, Liverpool and Leeds, is awaiting reopening of the bridge.

*Among developments now taking* place were the extension of facilities at Parkeston Quay, Harwich, Mr. Posner added. Last year, Harwich and Felixstowe handled about 200,000 containers, but would eventually need to provide facilities for a combined throughput of some 500,000 a year.

# 'Speak now on Giro's future' Chataway told

CRITICISM of the Minister of Posts, Mr. Christopher Chataway, for his silence on Giro's future, *was voiced at Blackpool yesterday* by Mr. Norman Taylor, general secretary of the National Federation of Sub-Postmasters.

He told a rally of sub-postmasters: "It is high time the Government came clean on their intentions for the Post Office Giro service. Too many months have passed since Mr. Chataway announced that he was to have a long, *hard look* at it. *That* statement in itself cast a blight on Giro at the very moment when it was showing heartening signs of winning wider *public* acceptance."

Despite the uncertainty about *its future*, the Giro *service* "has 450,000 account holders. It is handling 1¼m. transactions weekly, and holds an average cash balance of £55m. Common sense demands that the Giro must continue. *This* deplorable delay in announcing that fact is postponing the time when it will become a full-scale, low-cost, profitable service."

## BRAKE LINING FEDERATION

Producers of brake and clutch linings throughout Europe have decided at a meeting in Zurich to form the Federation of European Manufacturers of Friction Materials.

*The proposed aims of the new* federation are to study questions concerning the friction material industry and to work for the safer operation of road vehicles.

THE WEEK IN THE COURTS

# Human rights: the case of the East African Asians

BY JUSTINIAN

THOSE WHO are apprehensive about the loss of judicial *sovereignty* involved in Britain's entry into the Common Market will watch with particular keenness a proceeding which begins in Strasbourg to-day. Thirty East African Asians who hold United Kingdom passports and who have been subjected in the last year or so to a shuttlecock procedure between Kenya and Britain have taken their case to the *European Commission* of Human Rights. No less a figure than Britain's Attorney-General is appearing for *Her Majesty's* Government to defend Whitehall's restrictions on the *admission of these East African* Asians to settle in this country.

## Enthusiasm

How many people in Britain are *aware* of the existence, let alone know about the workings, of this international tribunal, which springs out of the Common Market's political precursor, the Council of Europe? In 1950, in the first blush of post-war *enthusiasm for guaranteeing* human rights, far-sighted Europeans signed a European Convention for the Protection of Human Rights and Fundamental Freedoms.

A Commission and a Court were the judicial organs for enforcing the Convention. Britain was an early member, *although* it was not until the Labour Government came to power in 1964 that we accepted the right of individual citizens to put this country into the dock. Hitherto, successive British governments had subjected themselves only to disputes with the governments of other states. Our sole experience of Strasbourg had been when Greece alleged torture of Cypriots by British troops during the emergency in Cyprus.

The Zurich agreement establishing the independence of Cyprus settled that dispute. The boot was on the other *foot* two years ago when Greece was arraigned by the Scandinavian countries and Holland, and the Commission upheld complaints against the Greek colonels of violation of human rights, whereupon Greece resigned from the Council of Europe in anticipation of being expelled.

Since the *right* of individual application was conceded by our own Government there have been a number of attempts to challenge administrative actions. A number of Commonwealth immigrants alleged violation of the right of family life when immigration officials refused to admit persons claiming to be dependants of Commonwealth citizens here. These cases were settled amicably. In one instance the cost of an air ticket was paid to a Pakistani so that he could return to England to live.

*Some of the boy soldiers who* claimed the right to break their service contracts on the grounds of their youth at the time of signing on for military service applied unsuccessfully, although later, recommendations of a Government committee under Lord Donaldson for relieving the hardship were accepted.

The present case of the East African Asians is unique because it is the first to negotiate the first hurdle in the Commission's procedure without being settled. An applicant must demonstrate that he has exhausted all domestic remedies—that is, the *right* to go to the courts of the country complained against. Governments, not unnaturally, were unwilling to concede anything to an international tribunal when their own courts provided a remedy.

The applicant *must* then proceed without delay: there is a six-month limitation on applications. And *he must show* a *prima facie* case for saying that a human right guaranteed in the Convention has been violated. It is this hurdle more than any other that most applicants find insuperable, mainly because the parties to the Convention agreed to be bound to observe only those rights which they thought were amply protected under their own laws, though in so thinking they have been proved to be mistaken.

## Fact-finding

Only about 3 per cent. of applications get through the first stage and are declared admissible. *Once* the application survives the initial sifting process, the Commission then turns itself into both a fact-finding body and a conciliator. Its function is to examine the complaint and, if satisfied that there has been a violation, *to effect* a settlement based on the government concerned acknowledging respect for the rights infringed. If a full settlement is unobtainable the Commission draws up a report.

The next stage is either a reference, which only the Commission or a member State can invoke, to the European Court of Human Rights; or, if no further judicial consideration is required, the issue becomes a *matter of politics*. The Committee of Ministers of the Council of Europe will then be asked to seek a *political* solution. In the ultimate, of course, there are no powers to enforce any decision upon an unwilling government. So far any adverse findings have usually been complied with, if grudgingly, but the only sanctions are adverse *Press* comment or expulsion from membership of the Council of Europe.

The case of the East African Asians is at the stage where the Commission is hearing the lawyers' arguments on the facts adduced and on the relevant law, which is not without its complexities. A protocol to the Convention, not yet in force for lack of sufficient ratification, provides a right of entry into a country for all that country's citizens. Since the East African *Asians cannot invoke that fundamental freedom*, they are claiming that the British Government's treatment of them—shunting them backwards and forwards between Nairobi and London is "degrading treatment"—alternatively, *that* the shuttlecocking is a breach of the right to security of individual persons.

## Discrimination

The convention is far from being a perfect instrument for protecting human rights. Many rights are left out and are not protected. Racial or religious discrimination, for example, is *proscribed* only in respect of a freedom guaranteed in the Convention; discrimination in regard to the right to exercise a profession is perfectly legal. Social security rights are untouched. Only civil and political rights generally are covered.

There are also misgivings about the machinery of the Convention. The Commission, composed of 16 European jurists, has been over-cautious in interpreting the rights. It has defined them within narrow limits, mainly for fear of displeasing *governments*, which might then turn their backs on what is a novel experiment.

More recently, the Commission has displayed a boldness of approach which was manifested in the earlier hearing on the East African Asians case. What the Commission says about Britain's handling of this aspect of immigration policy may have profound effect on any future approach to European [illegible] institutions.

# COMPANY NOTICES

HARMONY GOLD MINING COMPANY LIMITED

(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND No. 31

[illegible]

COMPAGNIE FRANCAISE DES PETROLES

TWENTY YEAR 6% BONDS DUE OCTOBER 15, 1985

The sixth instalment of the sinking fund for redemption of Bonds, due October 15, 1971, i.e. $USA728,000, has been purchased by the Company. No drawing will take place this year.

BANQUE DE PARIS ET DES PAYS-BAS

POUR LE GRAND-DUCHE DE LUXEMBOURG

15.9.1971

ALEXANDER FUND S.A.

[illegible]

CHILEAN EXTERNAL LONG TERM DEBT: LAW No. 5580

[illegible]

BRAZILIAN STERLING LOANS: DECREE LAW No. 6019

[illegible]

CHAMBERS & FARGUS LIMITED

[illegible]

VAAL REEFS EXPLORATION AND MINING COMPANY LIMITED

(Incorporated in the Republic of South Africa)

PROPOSED RIGHTS ISSUE

[illegible]

COMMERZBANK AKTIENGESELLSCHAFT

Rights Issue of 1971

[illegible]

THE CONSOLIDATED DIAMOND MINES OF SOUTH WEST AFRICA LIMITED

(Incorporated in the Republic of South Africa)

DECLARATION OF ORDINARY DIVIDEND No. 67

[illegible]

H. J. HEINZ COMPANY LIMITED

[illegible]

BESTOBELL LIMITED

[illegible]

NOTICE OF REDEMPTION

To the Holders of

The Flintkote Company

4½% Debentures due October 1, 1980

[illegible]

The Flintkote Company

By BANKERS TRUST COMPANY, Trustee

Dated: August 26, 1971.

Debentures Previously Drawn

[illegible]

SOUTHERN KINTA CONSOLIDATED, LIMITED

[illegible]

GENERAL MINING AND FINANCE CORPORATION, LTD.

(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND No. 91 ON THE ORDINARY SHARES

[illegible]

TIGER OATS AND NATIONAL MILLING COMPANY, LIMITED

(Incorporated in the Republic of South Africa)

DECLARATION OF FINAL DIVIDEND—ORDINARY SHARES

[illegible]

PERUVIAN NATIONAL LOAN 6% EXTERNAL SINKING FUND BONDS 1928 (SECOND SERIES)

[illegible]

SOUTH AFRICAN INTERNATIONAL FUND LIMITED

[illegible]

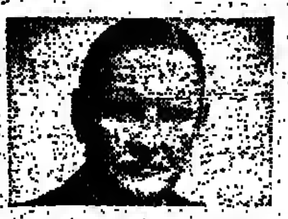
STANHOPE TRANSATLANTIC FUND S.A.

[illegible]

هكذا من الأجل









# Overseas News

## Lonrho calls fraud charge "malicious"

By Our Own Correspondent

JOHANNESBURG police have confirmed that they had arrested Frederick Antony Butcher, a director of the U.K. Lonrho company and a British subject, shortly after he had arrived in the city by air last week.

Following the arrest, Butcher appeared before a senior Johannesburg magistrate on an allegation of fraud. Bail of R5,000 was granted and proceedings were adjourned until November 30.

Butcher's arrest is believed to concern alleged takeover activities in South Africa in 1969.

Lonrho has extensive interests in South Africa, including mining interests through Coronation Syndicate, Tweefontein United Collieries and Witbank Consolidated Coal Mines, all three of which are quoted on the Johannesburg Stock Exchange.

A Lonrho spokesman in London has commented: "Apparently no specific charge has been made but, on the facts available to us, we believe that the alleged charge can only have arisen from malicious complaints made over the last two years by a small shareholder of a local subsidiary company.

"The Lonrho company is confident of its ability to answer any charges brought against it or against Mr. Butcher."

## Israel rejects U.N. envoy

By Our Own Correspondent

JERUSALEM, Sept. 26.

REACTING TO last night's U.N. Security Council resolution calling for the despatch of an envoy to study the situation in Jerusalem, the Israel Government, after its weekly Cabinet meeting to-day reaffirmed its stand that "there was no justification for the discussion and adoption of the resolution on Jerusalem by the Security Council."

Official opinion in Jerusalem holds that there was no need for such a discussion because Jerusalem is wide open to all visiting politicians, journalists, church dignitaries and tourists. Accordingly the official statement added: "The Government of Israel will not enter into discussions on the basis of this resolution."

# Missing £300m. paid higher IMF quotas and BIS repayments

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON, Sept. 26.

THE BANK OF ENGLAND has transferred some £300m. worth of gold from the British reserves to the International Monetary Fund and the Bank for International Settlements. The loss of the gold was revealed in the last Bank of England quarterly review, which showed a £300m. decline in Britain's holding that reduced the metallic element in the reserves from nearly 50 per cent. to around 22 per cent. At the time, no explanation was offered for this decline.

However, it now appears that while about £40m. was accounted for by the increase in Britain's gold quota with the IMF, a further £80m. was transferred to the Fund in settlement of various charges incurred by the U.K. in its recent drawings. Under a complex formula these had to be paid back in gold.

In addition, the Bank for International Settlements at Basle is understood to have received some £80m. worth of gold in the unwinding of an earlier credit arrangement, while a roughly similar sum was used to pay the new IMF gold quotas of some poorer sterling area countries.

Although the loss of roughly one half of their gold may well have encouraged the British monetary authorities to seek an increase in the official gold price as part of any solution for the current dollar crisis, there is no confirmation of reports that they were on the point of pressing for a dollar conversion when President Nixon abruptly closed the gold window. Nevertheless, the flight of private capital from the U.S.—which some estimates now put at over $20,000m. in the fortnight before the President's announcement — had worried central banks and a number were showing interest in the precedent created by the Swiss of inserting a gold guarantee clause into their dollar swap arrangements.

The British gold payment to the BIS appears to mark the ending of an earlier group insurance for the Sterling Area countries, which also benefited from the payment of their IMF gold quota increases. But while the new Basle insurance scheme officially allows them a 10 per cent. reduction in the minimum sterling holding required for the cover, some believe they have obtained a greater margin of flexibility by changing the definition of their reserves. After holding out a long while, one East African country believes it has secured an effective cut of some 20 per cent. in its minimum sterling proportion. Although there is little likelihood of sterling holders switching out of London in the immediate future when the outlook for the dollar is uncertain, there is concern about the prospects in 1973, when the new insurance scheme runs out. Despite the Chancellor of the Exchequer's assurance to Commonwealth Finance Ministers in Nassau last week that they would be fully consulted about future changes in the pound's position, some remain apprehensive that the Basle guarantee may be withdrawn altogether in 1973, just when the British balance of payments starts to feel the effect of Common Market entry and earlier inflation.

This led them during the recent renewal negotiations to ask for an extension of the dollar guarantee on their sterling holdings beyond 1973, or for the creation of a multilateral working group to examine longer-term arrangements. However, the Bank of England successfully resisted pressure of this kind and has maintained the bilateral and essentially secret nature of its engagements with individual sterling holders under the new Basle agreement.

# Italian unions angered by short-time at Pirelli

BY OUR OWN CORRESPONDENT

ROME, September 26.

ITALIAN Labour Minister, Signor Carlo Donat Cattin, has called heads of the Milan-based Pirelli Rubber Company to Rome on Wednesday for talks following their announcement to reduce the work week of nearly 2,000 employees over the next month. Pirelli, which is Italy's largest manufacturer of rubber products, said that Italy's "generally unfavourable economic situation" was the main reason for the decision.

Pirelli's move has severely provoked the Italian unions. They claim that it is a new attack on the workers' salary and part of a general policy by the large companies "to make the workers suffer because of difficulties for which the workers are not responsible."

The Pirelli company, in its announcement, stated that almost 900 workers in two of its divisions would have their weekly hours reduced from 40 to 32, starting to-morrow.

# OECD Committee start delayed

By Robert Mauthner

PARIS, Sept. 26.

THE CREATION of the OECD's high-level Trade Committee, which was agreed on in principle at a Ministerial meeting of the organisation as long ago as June, has been further delayed by disagreement over its composition.

It has all along been taken for granted that its members would include the U.S., Japan, Canada, West Germany, Britain and France, but snags have arisen over the representation of other Common Market countries. The first to complain about its exclusion was Italy and it has now been finally agreed that it will have a place on the Committee.

The national honour of the Belgians has been satisfied by the appointment of M. Jean Rey, a former President of the Common Market Commission, as the Committee's chairman. Although he will not be a national representative, he is at least a Belgian citizen.

But the Dutch, who were initially content with the appointment of one of their compatriots, Mr. Theodore Hijzen, as the Common Market Commission's delegate, dug in their heels once Italy was granted membership of the Committee and demanded that they, too, should have a national representative.

## Weak position

The question was discussed at a meeting of the Dutch Cabinet at the end of last week, and it is not yet known here whether The Hague will stand firm on its demands. The view here, however, is that the Dutch will, in the end, adopt a conciliatory attitude and withdraw their candidature.

One of the main tasks of the Committee, on which Britain will be represented by Sir Richard Powell, a former Permanent Secretary at the Board of Trade, and France by M. Robert Marjolin, a former OECD Secretary General and one-time vice-president of the Common Market Commission, will be to study ways and means of preserving free trade in the world.

Although the Americans have temporarily put themselves in a weak position by the imposition of the 10 per cent. import surcharge, they are still very much in favour of the Committee, which is being set up on their initiative.

The U.S. believes that the Committee could be instrumental in braking down non-tariff barriers to trade, mitigating the effects of the Common Market's protectionist agricultural policy and preventing the creation of new preferential trading areas between the European Community and the EFTA non-candidates such as Sweden, Switzerland, Austria, Finland and Portugal.

# Belgian Government calls snap election for November 7

BY REGINALD DALE

BRUSSELS, Sept. 26.

BELGIUM'S coalition Government has decided to cut short its term of office by six months and hold immediate elections. The General Election will be held on November 7, instead of next spring, and municipal elections are to follow a fortnight later.

Prime Minister Gaston Eyskens, leader of the majority coalition party, the Social Christians, said at the week-end that the aim of the decision was to avoid an extended period of pre-electoral uncertainty. The climate of domestic uncertainty, he claimed, had been further worsened by the confused world economic situation—one of every two Belgian workers depended on exports for his job, he added.

In the meantime, the coalition, in which the Social Christians are partnered by the Socialists (PSB), has not resigned and will carry on running the economy. Despite internal differences, the two parties will attempt to present some sort of united front to the electorate in November.

The Government claims that the main part of its programme for the solution of the perennial Belgian linguistic and cultural dispute has now been achieved. But its opponents, have been quick to point out that various loose ends remain to be tied up, and the main opposition party, the Liberals (PLP), is already accusing the Government of broken promises.

The truth, as seen by most political commentators here, is that the Government wants to go to the country with part of its programme unfinished rather than be forced into unpopular economic measures in the pre-electoral period. There has been talk of the need for tax increases towards the end of the year, and Mr. Eyskens himself has admitted that the new Government may have to take tough measures to control the economy.

A further difficulty for the coalition has been the uneasy relationship between the leadership of the PSB and the Social Christians, which flared into the open in a newspaper interview here last week. The Walloon and Flemish wings of the Social Christians are also divided among themselves on a number of linguistic issues.

Last night, Mr. Eyskens said he would prefer not to serve another term as Premier. But the latest available opinion polls show a continuation of the present political pattern to be likely. According to figures published in July, the Social Christians have gained somewhat in popularity, while the PSB has declined with the PLP slipping even further.

# Brezhnev visit ends on promise of co-operation

BY OUR OWN CORRESPONDENT

BELGRADE, Sept. 26.

THE VISIT of Mr. Leonid Brezhnev to Belgrade which ended yesterday turned out to be less controversial and more fruitful in many respects than many Yugoslavs and foreigners here alike anticipated, although neither side yielded much ground.

As President Tito said in his farewell speech at the airport, many things which accumulated over the years were cleared and the road of further co-operation was traced; that came as the consequence of mutual desire and interest.

The joint statement issued at the end of the talks indicates that Mr. Tito and Mr. Brezhnev not only discussed a wide range of bilateral and international problems but also that they found sufficient common ground to part as better friends than they were when they started the talks.

As a result, not only state but also party ties, on which Mr. Brezhnev apparently insisted, will be strengthened. Both state and party representatives of various levels will meet more frequently, exchange views and consult on questions of bilateral relations and foreign policy.

It was repeated, because the Yugoslavs never tire of hearing it again, that the mutual relations are based upon the 1955 Belgrade and 1956 Moscow declarations and the 1965 joint Yugoslav-Soviet statement, that, although the teaching of Marx, Engels and Lenin is the basis of the policies of all the Communist parties, it should be creatively applied and developed in accordance with the particularities of each country, that methods of Socialist construction are a matter for the people and the working class of individual countries and should not be opposed to each other.

Among the parts of the joint statement that will attract attention is the support of the two countries for a Balkans nuclear-free zone, and the statement that both parties consider the time ripe for reduction of armed forces and armaments in Europe.

# WARWICK ENGINEERING INVESTMENTS

## *MR. P. R. V. WHEELER REVIEWS YEAR'S ACTIVITIES*

*The Annual Generol Meeting of Worwick Engineering Investments Limited was held on September 24 in London, Mr. P. R. V. Wheeler (the Chairman) presiding. The following are extracts from his circulated statement:*

The Group Tradiog Loss for the financial year smounted to £2,597 as against £103,590 Profit for the previous twelve months.

**DAVENTRY ENGINEERING COMPANY LTD.** In April of last year the outlook for this Company looked hrighter tban for many years past. However, a substantial reduction in demand from two major customers led to a loss being incurred for the first balf year. The positioo was further exacerbated by wage demsnds which hsd to he met in the Autumn of 1970. Further deterioration of the position coupled with strikes and lahour unrest in the fsctories of our customers led the Board to decide to disengage and to cease the operatioo of the subsidiary. It was felt that the cash resources liberated could be more usefully employed in fostering the activities of our other subsidiaries.

Invitably the loss incurred was increased hy redundsncy paymeots. *Upon disposal* the *assets realised good* values and stocks and work-in-progress were disposed of at a very satisfsctory level.

**METALS & ALLOYS (BIRMINGHAM) LTD.** Having regard to the generally unsettled conditions in the engineering industry, tbe profit level acbieved must he regarded ss very satisfactory.

*Powder Products* **Division**—Zinc Oxide turnover remained at a high level and margins were satisfactory. Aluminium powders made a satisfactory contribution to profitability and some new export markets were opened up. Much work was done to improve the productivity of our magoesium powder plaot believed to be unique in the world, hut whilst it failed to show sny profit for 1970/71, it is now assured of sufficient husiness to render the operation profitshle during the current year. *In the latter part* of the calendar *year* 1970/71 our new aluminium powder plsnt at Anglesey operated hy ALPOCO in which Company we are partners with INDALEX LIMITED (An RTZ Pillar subsidiary) commenced operations and despite teething troubles ran profitahly for the few months of operation to the fiscal year eod.

**Cast Prodncts Division**—Centrifugal Ferrous and Non-Ferrous castings were in good demand generally, hut influcnced hy the malsise ln the heavier side of the industry upon which *Metals & Alloys largely* depends. The demand for cootinuous cast iron rouod and other section hsr fell off ss activity in the machine tool sector declined. However, stockists in France and Belgium have been establisbed and material bas been exported to the U.S.A.

*Cylinder Lioers Divisioo—Haviog* overcome most of the technical problems, the plant operated profitably for a sbort period only to encounter serious curtailment of orders due to the unhappy state of the automotive section. Whilst this division for the third year running lost money, the losses have been reduced each year snd would have been eliminsted and s profit made bad the sales level been maintained. Present sales are still inadequate and strong pressure is heing exerted ln overseas selling to counteract the difficult U.K. situstlon.

**AIRCRAFT FURNISHING LTD.** An increased turnover failed to result lo an increase in profit. This was largely due to the effect of inflation on costs of materials and labour which could oot be passed oo to customers. Overbeads were severely pruned, hut the full effect was only felt during the latter part of the year under review. The present order situation is very sstisfactory and the current year's turnover sbould exceed thst of last year. A profit more commensurate with turnover sbould emerge.

# ANDERSON MAVOR LIMITED

## RESULTS IN LINE WITH FORECAST

*At the Sixty-Seventh Annual General Meeting of the Company held in Glasgow on 23rd September, 1971, Mr. Jomes Anderson, the Chairman, reported:*

I have pleasure in submitting to you the Company's Accounts *for the year* ended *31 March* 1971.

Last December my colleagues and I were pleased to welcome Mr. Desmond Misselbrook *as an additional member of our Board.* Mr. Misselbrook has been appointed Deputy Chairman and brings to our Board a wide and varied experience of industry and his contribution has already proved invaluable.

The Gronp trading results for the twelve months *to 31 March*, 1971, after taxatioo compare favourably with the 13 months to 31 March, 1970. This result is in line with the forecast which I gave in my Interim Statement last January. The overall results were severely affected hy the accelerated deterioration in the results of *Mavor & Coulson Limited* where *losses in the* Manufacturing and Conveyor Contracting Divisions amounted to £860,000. It was expected that the Group would inevitably hsve to face a contractioo in its overall profits whilst reorganisstion of this subsidiary was being undertsken and unprofitable products dis*continued.* The *integration of Mavor & Coulson* Limited with the Anderson Boyes Division under a combined new management is well in progress and shareholders are entitled to expect that losses of such magnitude can now be progressively eliminated. The Conveyor Contracting Division bas been hived off as a separate Division also under new management and improved results are expected.

The Sheffield *factory* bas been *reorganised.* The Branches at Gateshead and Rotherham have been closed, and the buildings snd land sold. These snd other organisational changes will, your Directors expect, lead to greater efficiency and a return to more profitable trading.

### SUBSIDIARIES AND DIVISIONS

*M. & C. Switchgear Limited again* msde a loss but trading was improved sufficiently to reduce the loss from £196,000 to £104,000, and it is anticipated that this trend will continue, hut in the present climste it *is* difficult to forecast when profitability will be reached.

It is encouraging that hoth the Anderson Boyes and the Hoy Division increased their profits, while Anderson Mavor (South *Africa) (Pty) Limi*ted, *turned its loss into* a *profit.*

Sioce there was a varistion within the Group io the basis of the valuation of *fixed assets and stocks* and *in* the *basis* of depreciation, the opportunity was taken when the Group was reorganised to have these Items standardised. An explanatioo regarding this is contained in the notes attached to the Accounts.

The greater part of the Group's turnover continues to be sold to the National Coal Board. *In* contrast to my statement last year, the prospects for the cosl mining industry in the U.K. are greatly improved, and I have confidence that these better prospects will result in increased orders. I anticipate that the turnover for the present financial year will show an increase over previous years.

The past year has not heen an easy one. Mucb time and energy bas been, and is still being devoted to restructuring your Group's activities, and in the end your Group will emerge stronger and confident in the futore.

Last year your Directors considered it prudent, in view cf the uncertainties as outlined io my Statement, to restrict the divideod to 5%. The Directors now recommend a dividend of 7%.

To all—I would record the thanks of my colleagues and myself for their loyalty and bard work during a year when many difficult decisions have had to be made.

*Copies of the Report ond Accounts can be obtained from The Secretary, Anderson Mavor Limited, Flemington Electrical Works, Motherwell, Lanarkshire.*

**ELECTRICAL, MINING AND MECHANICAL ENGINEERS, MANUFACTURERS OF UNDERGROUND COALCUTTERS AND LOADING MACHINES**

# 'Poor' outlook for hover market

BY DAVID FISHLOCK, SCIENCE EDITOR

SALES OF only £90m. between now and 1985 of high-speed marine craft—hovercraft and hydrofoils—are forecast in an aoalysis hy the Programmes Analysis Unit at Harwell.

The hydrofoil, the snalysts conclude, will probably *be preferred* to the hovercraft for passenger-only ferry services, and also for routes where maximum sea-keeping ability is wanted.

The estimste of £90m. includes tbe land uses of hovercraft and sales of *spares.* But a rider is added that tbe estimste of the European market—over half the total—could be low by as much as 30 per cent.

Competition from air transport and conventional ships make it unlikely, the PAU believes, that there will be eoongh goods of bigh enough value to support the large high-speed craft required for ocean service. Over abort sea distances, on the other band, the advantages of speed will not be great enough to offset the extrs cost.

The potentisl for high-speed marine craft lies in sbort sea journeys, "the major *portion* of which are ferries for passengers and cars and possibly commuters."

*The PAU was set up four years* ago, as a joint exercise by the (then) Ministry of Technology and the U.K. Atomic Energy Authority. Its report summarises a total of 43 *analyses* the Unit has made.

*There are no easy answers,* the report warns, to such questions as "What is the value of overseas trade to the nation"" or "What discount rate should be applied to evaluate programmes producing benefits or avoiding threats far in the future?" Nor is the simple addition of monetary and monetary "equivalents" of non-monetary *costs* and benefits as justifiable as some users of cost-benefit analysis assume.

Only by questioning and exploring the implications of such criteria, it argues, can more rational bases for planning be explored.

The PAU has collaborated closely with indnstry since its inception. But, as its director, Mr. R. L. R. Nicholson observes in an introduction, mncb of its information is obtained in strict confidence, so that it bas been impossible to produce open versions of the great majority of its reports.

# A. E. GRIFFITHS

## (SMETHWICK) LIMITED

***Manufacturers of tanks and vessels for corrosive liquids processing ovens, dust and vapour extracting plant, etc.***

**Salient points by Mr. J. S. Moss, Chairman and Managing Director, for the year ended March 31, 1971:—**

- Group trading profit is £70,734 (1970—£92,673).
- Net profit is £26,414 (1970—£30,556).
- A Final Dividend of 20% will make a total distribution of 27½%.
- Surplus of Current Assets over Current Lishilities—£140,338—is higher than at any time since 1965.
- The year bas been one of exceptional difficulty. There was a substantial increase in the Group turnover for which the reward bas heen particularly disappoioting.
- Forward prospects must take into account state of Country's economy and the effects of the receot measures introduced hy the Budget. Easing of financial *restrictions may encourage manufacturers* to look at schemes put aside during period of restraint.
- Long-term prospects are more promising if inflation can be contained and reasooable stability acquired. Your Companies will continue to seek every opportunity to expand, produce satisfactory results, and pave the way to increased profitability.

*Copies of the Report and Accounts are available from the Secretary, Booth Street; Smethwick, Warley, Worcs.*

# BANBURY GROUP

MANUFACTURERS OF BANBURY CONCRETE GARAGES, INDUSTRIAL BUILDINGS, GARDEN LEISURE HOUSES, HOME EXTENSIONS, PORCHES, GREENHOUSES, CARPORTS, TIMBER AND CONCRETE FENCING, INDUSTRIAL FLOORING, SQUASH COURTS, GRANDSTANDS, STADIUM SEATING AND GENERAL CONCRETE PRODUCTS FOR THE BUILDING INDUSTRY.

## Record profits for 20th successive year ... Confident of further expansion

*Highlights from the annual statement of Mr. Derrick H. Robins, Chairman of Banbury Buildings Holdings Limited.*

* Group profits for year ended 31st March, 1971 £630,494 compared with £604,266 last year. Profits a record for twentieth successive year.
* Dividend 37½% against 35% and bonus issue of 1-for-5 recommended.
* Wa look forward confidantly to further expansion and anticipate maintaining the dividend on the increased capital.

*Addressing the Annual Meeting, the Chairman said:*

**"From my statement which accompanied the accounts it could be implied that one would expect a 20% increase in the profit. I am very pleased to tell you that the trend of profit revealed by our Management Accounts for 5 months to August and which will be revealed in my interim statement covering the first half-year will fully justify this implication."**

# Thomas Marshall Investments Limited

## Highlights of 1970/71

* **Pre-Tax Profit £621,182 for 15 months against £335,213 for 12 months**
* **Sales £9,591,421 against £5,985,737 for earlier period**
* **Prospects—Dividends totalling 30% forecast for current year**

*The 1971 Report can be obtained from The Secretary at 18-20 Irwell Street, Manchester, M3 5FW.*

# ASSOCIATED TELEVISION CORPORATION

## *"Another highly satisfactory year . . .*

1967 1969 1971

*Lord Renwick of Coombe, K.B.E.*

*The Sixteenth Annual General Meeting of Associated Television Corporation Limited was held in London on 23rd September, 1971. The following are extracts from the Statement by the Chairman, Lord Renwick of Coombe, KBE, for the year ended 28th March 1971:*

**This has been another highly satisfactory year; and one that holds great promise for the future.**

For the third time in its history, your Corporation has been honoured by the Queen's Award for Export Achievement.

I will now refer to the improved position in which your subsidiary Company, ATV Network Ltd., finds itself. During eleven of the twelve months under review the whole television industry was still labouring under the load of the high-rate Television Advertising Levy. In that single year ATV Network had, apart altogether from normal Corporation Tax, to pay a Levy of no less than £3,865,000. It was to this level of forfeiture that I was referring in my last Statement when I said that if the rate of Levy were not reduced, Independent Television would no longer be commercially viable.

I therefore wish publicly to express my thanks to Lord Aylestone and the Authority for all that they did in presenting the facts of the case to the Government. It is not too much to say that the resultant action of the Minister in amending the scale on which the Levy is extracted from the advertising revenue of the Companies prevented inevitable financial collapse within certain sections of the industry.

Bearing in mind the current buoyancy in advertising revenue and the reduced rate at which the Levy is now operative, it is possible to view the future of the Network Company with a degree of confidence that would have been quite unthinkable a year ago.

### Broadcasting Hours

It is a source of further encouragement that the awaited permission for further broadcasting hours cannot now be long delayed. ATV Network is already fully equipped to provide the programmes. All that is needed is the Minister's approval.

Also, at the moment, only the BBC offers a dual service. There is no reason whatsoever why this should be so. It is wholly within the competence of the industry as it is at present constituted to provide ITV 2, and your Directors will continue to press for this highly desirable extension of the national broadcasting service.

### Film Production

The current schedule of production is the strongest in the Company's history and overseas sales—notably to the American networks and to Australia—have reached a level never previously achieved.

### ATV Centre

The ATV Centre in Birmingham, of which the Network studios occupy a third of the total site area, is in itself a major piece of civic development. It represents an investment in excess of £12 million. Building operations have throughout been most commendably on schedule, and the whole complex of office block, hotel, exhibition hall, restaurant and shops will be revenue earning by 1973.

### Stoll Theatres

ATV is proud of its position in the theatrical world. Stoll Theatres under the chairmanship of Mr. Prince Littler has enjoyed a most excellent year. In total, half-a-million more tickets were sold at the box office than in the previous year and the profit figure improved by £96,000.

### Music

ATV is equally proud of the position which it occupies in the world of music and music-publishing. The new management of your wholly-owned subsidiary company, Northern Songs, is certainly to be congratulated on its success. Moreover, the jointly-owned Company, ATV-Kirshner, has now established a world-wide organisation that is trading profitably in 14 countries.

Similarly, Pye Records which has steadily earned an increasing share of the disc market shows continuing improved results. The profit figure for music and records of over £1,800,000 is substantially higher than earlier it had been felt safe to estimate.

### Audio and Video Cassettes

Looking to the future when the use of audio cassettes will become wide-spread both in the home and in the car, your Board felt it wise to acquire the whole share capital of Precision Tapes Ltd., previously owned only 50 per cent by the Group. Already the sales of cassettes produced by this Company are mounting most encouragingly.

Again, in order to keep level with technical innovation your Corporation has entered the rapidly expanding market for video cassettes—the device which enables programmes of the viewers' own choice to be shown on the home television screen. The potential here is enormous and, to exploit to the full the global opportunities which the video cassette offers, ATV has entered into 50-50 partnership with one of the three great American networks, the American Broadcasting Company. The entire programme resources of entertainment, information and education of both organisations have been pooled. It is an acknowledgment of the unique standing of this new Anglo-American enterprise that the National Theatre Company in London should have granted it the exclusive video cassette rights of the National Theatre productions.

### Independent Radio

Finally, for the future development of the Corporation, ATV has announced that it will seek to be active in Commercial Broadcasting as soon as legislation permits. ATV will both apply for a licence in its own right and in conjunction with newspapers, and will be ready and equipped to supply full programme services to other operators.

### Summary

**The Group, now widely diversified within the whole field of entertainment as well as in property, is both more securely based and more capable of further development than ever before in its history.**

It is here that I must pay tribute to the one man who more than any other has made it so. When, for the third time, the Corporation was honoured with the Queen's Award for Export Achievement, it was once more recognition of the fact that Sir Lew Grade is the master-salesman of the entire television industry. But it was more than that. It was also a recognition of the fact that Sir Lew is television's supreme impresario. Indeed, his singleness of purpose, his energy and his far-sightedness are displayed in every aspect of the Corporation's activities.

### Management and Staff

I will close by saying on behalf of tha Board how grateful I am to members of Management and Staff at all levels in Birmingham, Elstree and London, as well as to our Corporation colleagues abroad in New York, Toronto, Sydney, Paris and Lausanne.

| COMPARATIVE FIGURES | 1970 | 1971 |
|---|---|---|
| | £'000 | £'000 |
| Total Group Turnover | 36,713 | 37,631 |
| Net Television Advertising Revenue | 13,819 | 14,255 |
| Less: Levy | 4,534 | 3,865 |
| Group profit before tax | 5,301 | 4,914 |
| Dividend cost | 2,709 | 2,709 |
| Profit after tax and outside shareholders' interests | 3,860 | 4,319 |
| Earnings per "A" Ordinary 25p stock unit | 10.37p | 11.54p |
| Total shareholders' funds | 26,350 | 27,938 |

FT POLL ON COMMON MARKET ENTRY

# Public attitude appears to have stabilised

THE British public's attitude towards entry to the Common Market appears to have stablised. This is shown by the third of the special surveys conducted for the Financial Times by British Market Research Bureau.

Whether this stability is due to the fact that some fundamental attitude plateau has now been reached, or whether it is simply that there has been a communications lull during the holiday period, is not yet clear.

According to the latest survey, conducted September 2-9, there has been only a slight movement in favour of the Market compared with the large attitude shifts of the early summer: 86 per cent. now believe that Britain will join compared with 85 per cent. at the beginning of August, and 36 per cent. say that they are personally in favour of Britain joining (34 per cent. in August).

The proportion of people believing that British entry is contrary to the national interest has dropped from 39 per cent. to 37 per cent.

These changes are closely correlated with the shift of political support to the Conservatives. In August 30 per cent. of the sample said that they had voted Conservative in the last election and 37 per cent. Labour.

The September figures are 32 per cent. Tory to 33 per cent. Labour. (While the question refers literally to past behaviour, there is evidence to suggest that people tend to answer in terms of their current political attitudes.)

| Sample size= | Sept. 1,052 % | July-Aug. 1,042 % | June 506 % |
|---|---|---|---|
| **Do you think Britain will join the Common Market?** | | | |
| Yes | 86 | 85 | 76 |
| No | 6 | 7 | 11 |
| Don't know | 8 | 8 | 13 |
| **Are you personally in favour of Britain joining the Common Market?** | | | |
| Yes | 36 | 34 | 22 |
| No | 52 | 51 | 67 |
| Don't know | 11 | 16 | 11 |
| **In the national interest do you think Britain ought to join the Common Market?** | | | |
| Yes | 49 | 49 | — |
| No | 37 | 39 | — |
| Don't know | 14 | 13 | — |
| **The economy will grow faster or slower than otherwise?** | | | |
| Faster | 47 | 44 | 33 |
| Slower | 23 | 23 | 36 |
| **Food prices in Britain will** | | | |
| Rise | 92 | 93 | 95 |
| Fall | 2 | 2 | 2 |
| **Prices of manufactured goods imported from other Market countries will** | | | |
| Rise | 44 | 37 | 50 |
| Fall | 35 | 36 | 32 |
| **The general level of unemployment will be** | | | |
| Higher | 41 | 40 | — |
| Lower | 35 | 36 | — |
| **Most people will be** | | | |
| Better off | 33 | 33 | 21 |
| Worse off | 49 | 48 | 65 |
| **Middle-class people will benefit more or less than working class people?** | | | |
| More | 47 | 45 | 50 |
| Less | 16 | 16 | 14 |
| **General income-tax level will** | | | |
| Rise | 39 | 38 | 46 |
| Fall | 24 | 24 | 20 |
| **Social Security benefits will** | | | |
| Rise | 49 | 49 | 41 |
| Fall | 17 | 18 | 23 |
| **Competition from abroad will put a lot of firms out of business?** | | | |
| A lot | 49 | 45 | 51 |
| Not make much differenre | 40 | 42 | 35 |
| **British workers will have longer or shorter working hours?** | | | |
| Longer | 18 | 16 | 19 |
| Shorter | 53 | 53 | 48 |
| **British workers will have longer or shorter paid holidays?** | | | |
| Longer | 67 | 66 | 58 |
| Shorter | 9 | 9 | 10 |
| **We shall lose a lot or only a little of our national identity** | | | |
| A lot | 40 | 40 | 52 |
| Only a little | 46 | 46 | 34 |
| **British farmers will be** | | | |
| Better off | 41 | 42 | 29 |
| Worse off | 38 | 37 | 52 |

## Jobless fears

While attitudes among Conservative supporters have altered slightly in favour of entry, Labour supporters tend now to be more opposed. But the shift to Conservative from Labour has resulted in a slight shift in favour of entry.

Changes in people's views about the effects of entry do not show a consistently increased level of optimism.

While more people believe that the economy will grow faster compared with the previous survey, it is also the case that more people think that the price of manufactured goods imported from the Common Market will rise and that unemployment will be higher.

The results are based on interviews with a random sample of 1,052 adults picked up on BMRB's continuous "Access" survey. The sample is representative of the adult population by age, sex, region and social class.

## Referendum in Beckenham

Mr. Philip Goodhart (Tory MP for Beckenham) states that with one week of polling left in the EEC referendum which he is carrying on in his constituency, a preliminary count shows that the anti-marketeers hold a slender lead. There have been 1,767 votes against going in and 1,627 votes in favour, he said.

## NEW CHEAPSIDE OFFICES FOR BANK OF BOSTON

The First National Bank of Boston has moved its city premises from 4, Moorgate to 5, Cheapside.

The bank has leased a new air-conditioned eight-storey octagonal building with 38,000 square feet of office space. Developers were National Mutual Life Association of Australasia.

It will occupy the first three floors and sub-let the rest.

*All of these Securities having been sold, this announcement appears as a matter of record only.*

NEW ISSUE

## $150,000,000

# Consolidated Edison Company of New York, Inc.

First and Refunding Mortgage Bonds
7.90% Series JJ, Due September 1, 2001

Merrill Lynch, Pierce, Fenner & Smith
Incorporated

The First Boston Corporation

Kidder, Peabody & Co.
Incorporated

Blyth & Co., Inc. | Drexel Firestone Incorporated | duPont Glore Forgan Incorporated | Eastman Dillon, Union Securities & Co. Incorporated

Goldman, Sachs & Co. | Halsey, Stuart & Co. Inc. | Hornblower & Weeks-Hemphill, Noyes

Lazard Frères & Co. | Lehman Brothers Incorporated | Loeb, Rhoades & Co. | Paine, Webber, Jackson & Curtis Incorporated

Salomon Brothers | Smith, Barney & Co. Incorporated | Stone & Webster Securities Corporation

Wertheim & Co. | White, Weld & Co. | Dean Witter & Co. Incorporated | Bache & Co. Incorporated | Shearson, Hammill & Co. Incorporated

American UBS Corporation | Bear, Stearns & Co. | A. G. Becker & Co. Incorporated

CBWL-Hayden, Stone Inc. | Clark, Dodge & Co. Incorporated | Dominick & Dominick, Incorporated

Equitable Securities, Morton & Co. Incorporated | EuroPartners Securities Corporation | Robert Fleming Incorporated

Hallgarten & Co. | E. F. Hutton & Company Inc. | W. E. Hutton & Co.

Ladenburg, Thalmann & Co. | F. S. Moseley & Co. | Paribas Corporation

R. W. Pressprich & Co. Incorporated | Roosevelt & Son Incorporated | L. F. Rothschild & Co.

Shields & Company Incorporated | F. S. Smithers & Co., Inc. | Swiss American Corporation

G. H. Walker & Co. Incorporated | Walston & Co., Inc. | Wood, Struthers & Winthrop Inc.

*All of these securities having been sold, this advertisement appears as a matter of record only.*

NOT A NEW ISSUE

Scholl

## 650,000

# Scholl, Inc.

Common Shares
($1 par value)

Goldman, Sachs & Co.

Blyth & Co., Inc. | The First Boston Corporation | Eastman Dillon, Union Securities & Co. Incorporated

Hornblower & Weeks-Hemphill, Noyes | Kidder, Peabody & Co. Incorporated | Lazard Frères & Co.

Lehman Brothers Incorporated | Loeb, Rhoades & Co. | Paine, Webber, Jackson & Curtis Incorporated

Salomon Brothers | Smith, Barney & Co. Incorporated | Wertheim & Co. | White, Weld & Co.

American UBS Corporation | Bache & Co. Incorporated | Basle Securities Corporation | Kleinwort, Benson Incorporated

Paribas Corporation | Reynolds Securities Inc. | Swiss American Corporation

Deutsche Girozentrale —Deutsche Kommunalbank— | Schroder, Munchmeyer, Hengst & Co.

Fielding, Newson-Smith & Co.

*September, 1971*

# 10 builders expelled by NHBRC for poor work

By Michael Cassell

TEN BUILDINC companies heve been expelled from membership of the National House Builders Registration Council in a major drive against bad workmanship.

One consequence is that building sociaties will not lend on new properties which do not have an NHBRC certificate. Non-members, therefore, have to act either as sub-contractors to other house builders or confina their activities to rebuilding and repair work.

Apart from the expulsions—more than ever previously announced on one occasion—tha Council bas told six other companies that they face the same action unless remedial work is done on specific bousing projects. An additional 14 companies have been warned that a "close watch" is being kept on the standard of their work.

In April, the Council expelled three other companies for below-standard work and several others were warned about faulty building.

Mr. Stanley Morton, chairman of the NHBRC, commented on the latest moves: "All these companies have been unfair to their customers and damaged the reputation of the industry. I gava a warning in March that we were tightening up and our registration committee have now shown that we mean what we say."

The ten companies struck off the register, all for faulty building and failure to remedy defects within a reasonable time, will not be named by the Council until the appeal period of one month has elapsed.

The Council does, however, outline the details of cases which have now led to expulsion. Two Essex builders were struck off for negligently leaving external steps falling away from terraced houses and both are to be sued by the Council for the cost of correcting the faulty work.

A Shropshire builder has been expelled for refusing to repair gas central heating back boilers which bad been incorrectly installed, and other companies have been found guilty of poor roofing, flooring and finishing work.

Among the companies warned of possible expulsion is a Welsh one given seven days to start and one month to complete finishing repairs on five houses, and a Cornish building company which has been ordered to relay a number of roofs.

Other disciplinary measures include a 50 per cent. surcharge on inspection fees for two companies until general workmanship reaches the desired standards.

# £21,000 loan plea to save Romney line

AT LEAST another £21,000 is needed by a consortium to take over the world's smallest public railway—the 14-mile Romney, Hythe and Dymchurch line in Kent.

A public meeting at Hythe was told this on Saturday when an appeal was made to 200 railway enthusiasts to help raise the money through interest-free loans.

The enthusiasts have so far raised £84,000 towards buying the narrow gauge railway. A total of £105,000 must be raised if their bid is to be successful.

Mr. David Lye, chairman of the railway company, which is selling the line, said if present shareholders retained ownership they could expect to sustain substantial losses. He calculated losses of the railway—which carries 300,000 holiday passengers a year—at £200,000.

Mr. Brian Hollingsworth, a member of the 16-man consortium, set up to save the line, said others could join, but must be prepared to contribute four-figure sums. They could not expect loans ever to be repaid or to receive any dividends.



*All of these securities having been sold, this announcement appears as a matter of record only.*

BIC

## 655,000 Shares

# BIC Pen Corporation

Common Shares
($1.00 Par Value)

White, Weld & Co. | SoGen International Corporation

Blyth & Co., Inc. | The First Boston Corporation

Eastman Dillon, Union Securities & Co. Incorporated | Goldman, Sachs & Co.

Hornblower & Weeks-Hemphill, Noyes | Kidder, Peabody & Co. Incorporated

Smith, Barney & Co. Incorporated | Stone & Webster Securities Corporation

Wertheim & Co. | Dean Witter & Co. Incorporated | Wood, Struthers & Winthrop Inc.

Amsterdam-Rotterdam Bank N.V. | Banque Francaise de Depots et de Titres

Banque Nationale de Paris | EuroPartners Securities Corporation

Paribas Corporation | Société Générale | Société Générale de Banque S.A.

Swiss American Corporation | S. G. Warburg & Co. Limited

Nomura Securities International Inc.

September 16, 1971

# INTERIM STATEMENTS

carpets international

Interim Report for the half year ended 3 July 1971

## Improved Profitability

| | 1971 First half year | 1970 First half year | Full year |
|---|---|---|---|
| | £000 | £000 | £000 |
| Turnover | 20,992 | 18,759 | 40,618 |
| Consolidated profit before taxation | 987 | 485 | 1,628 |
| Taxation | 395 | 224 | 509 |
| | 592 | 261 | 1,119 |
| Exceptional items | — | 322 | 381 |
| Consolidated profit after taxation | 592 | 583 | 1,500 |
| Dividends—Gross | | | |
| Interim 6% | 509 | 509 | |
| Full year 13% | | | 1,103 |

*The results of the two half years are unaudited.*

**Interim Dividend**

The Directors hava declared an interim dividend of 6% (1970—6%) less tax, payable on December 6, 1971 to the shareholders on the register as at close of business on November 5, 1971.

Trading conditions began to imprnve at the end of March and gathered momentum during the second quarter. Turnover at just on £21 million is 12% the equivalent period of the previous year.

Consolidated profit before tax for the six months, the major part of which was earned in the second quarter, shows a marked increase over the same period last year.

Profitability in the first quarter continued to be affected by range rationalisation and reorganisation but, despite higher costs and no adjustment to selling prices of standard qualities, margins improved progressively each montb to tbe eod of the Half Year.

While completion of reorganisation plans still requires time, action taken since the merger is now abowing results. The outlook at Kosset and Gilt Edge ia more promising.

The autumn market has opened earlier than usual and is encouraging. Present indications are that demand for the rest of the year will be heavy with the better qualities continuing to sell more freely.

Group profits for the full year will reflect the better margins attained in the second quarter wbicb are expected to continue.

W P W Anderson
Chairman

*22nd September, 1971*

Carpets International Limited, Kidderminster, Worcestershire

## DYERS' UNION AMONG FIRST TO DE-REGISTER

The National Union of Dyers, Bleachers and Textile Workers yesterday became one of the first unions to write to the Registrar of Trade Unions to de-register under the provisions of the Industrial Relations Act.

Mr. Jack Peel, the general secretary, who is a member of the TUC General Council, said: "Our arguments with other unions about the Act have not been about our own position—that has never been the question.

"We have doubted, and still doubt, the wisdom of the TUC taking a hard line with affiliates on de-registration, dua to the risk of openly dividing unions. However, the die is now cast and we are trying to give a lead in line with TUC policy."

## BARNES WALLIS CALIPERS PLAN

Sir Barnes Wallis is to direct a three-year research project on calipers, walking splints and ambulant support systems, applying industrial and scientific technology to tha use of light-weight materials.

The project is being undertaken by the Bath Institute of Medical Engineering, the charitable research body of which Sir Barnes Wallis is president. First practical results are likely within 12 months.

## MOTOR RACING AT DONINGTON PARK

Motor racing is to be staged at Donington Park for the first time since 1939. The circuit, at Castle Donington, near Derby, is to be used as a special stage in tha RAC international rally in November.

# Stanwood Radio

LIMITED

**Interim Dividend**

At a Board Meeting held on Monday, 20th September, 1971 the Directors declared an interim dividend of 2½%, less incom[e] tax (1970 nil), payable on the 20th November, 1971, in respec[t] of the year ending 31st December, 1971.

**Interim Results**

The unaudited results of the Company for the half-yea[r] ended 30th June, 1971, with the relative comparisons, are a[s] follows:

| | Six Months to 30th June 1971 | Six Months to 30th June 1970 | Year to 31st December 1970 |
|---|---|---|---|
| Turnover | £1,813,000 | £1,623,000 | £3,530,000 |
| Trading Profit | £426,297 | £285,736 | £677,828 |
| *Deduct* | | | |
| Depreciation | 295,966 | 206,103 | 470,126 |
| Short-term finance charges | 103,840 | 66,955 | 145,668 |
| | £399,806 | £273,058 | £615,794 |
| Net Profit, before Taxation | £26,491 | £12,678 | £62,034 |

Due to capital allowances, the Company is relieved [of] Corporation Tax on profit for the period.

The substantial increase in depreciation and finan[ce] charges reflects the continued heavy investment in televisi[on] rental business. Rental income for the half-year amounted [to] £640,000 compared with £430,000 for the corresponding peri[od] last year, and should exceed £1,400,000 for the current ye[ar] against £995,000 last year.

**Current Trading**

Since the removal in July of the statutory control of term[s] on Hire Purchase and Rental contracts, new business has be[en] at a considerably higher level than last year. The Directo[rs] are confident that the steady improvement in both turnov[er] and profitability will continue throughout the second half-ye[ar] and that the results for the year as a whole will show a furth[er] advance on last year.

# INTERIM STATEMENTS

# W. A. HILLS & SONS LTD

The Directors of W. A. Hills & Sons Ltd. announce an Interim Dividend of 15% (1970 15%) in respect of the year ending 30th September, 1971.

The unaudited results are as follows:—

| | 1971 | 1970 |
|---|---|---|
| Turnover | £1,438,000 | £1,033,000 |
| Pre-Tax Profits | £64,000 | £57,000 |
| Net | £42,000 | £33,000 |

The first half of the year is never a true guide for the full year and with the second half of the year nearly gone, the Directors are able to estimate that they expect the profits for the full year to 30th September, 1971 to be at least equal to those of the previous year (£192,000) and probably slightly in excess. In that event it is expected that the final dividend would be 15% making a total for the year of 30% as before.

## NEEDLE INDUSTRIES GROUP LIMITED

Interim Report to Shareholders

The estimated unaudited trading results for the Group for the six months ended 30th June 1971, are given below, together with comparative figures for the first six months of 1970 and the audited results for that year:—

| | 6 months to 30th June 1971 | 6 months to 30th June 1970 | Year 1970 |
|---|---|---|---|
| | £ | £ | £ |
| Turnover | 1,879,000 | 1,761,000 | 3,263,000 |
| Trading profit before taxation | 109,000 | 90,000 | 195,000 |
| Taxation | 49,000 | *48,000 | 72,000 |
| Profit after taxation | 60,000 | 42,000 | 123,000 |

* The charge of £45,000 for taxation in respect of the six months to 30th June 1970, was substantially reduced as a result of changes in the rate of corporation tax and capital allowances.

The Directors have today declared an interim dividend of 3% (less tax) in respect of 1971, to be paid on 1st December 1971. This is the same rate of interim dividend as for 1970, that is payable on the capital as increased by the recent 1 for 5 scrip issue.

*Studley, Worcickshire.* *23rd September, 1971.*

L. Hargreaves Beare, Chairman.

The List of Applications will open at 10 a.m. on Wednesday, 29th September, 1971, and close on the same day.

This issue is made in accordance with a General Consent given by the Treasury under the Control of Borrowing Order, 1958.

Application has been made to the Council of The Stock Exchange, London, and to the Council of The Midlands & Western Stock Exchange, for permission to deal in and for quotation for the stock.

# CITY OF BIRMINGHAM

## issue of

## £10,000,000 Birmingham Corporation 8 per cent. Redeemable Stock 1979-1981

Sanctioned by the City Council and authorised by Acts 43 and 44 Vict., c. 17b; 44 and 45 Vict., c. 68; 45 and 46 Vict., c. 61; 63 and 64 Vict., c. 74; and 6 and 7 Eliz. 2, c. 49.

## PRICE OF ISSUE £100 PER CENT.

Payable as follows:

| | |
|---|---|
| On Application | £10 per cent. |
| On 27th October, 1971 | £20 per cent. |
| On 8th December, 1971 | £30 per cent. |
| On 12th January, 1972 | £40 per cent. |
| | £100 per cent. |

INTEREST (LESS INCOME TAX) WILL BE PAYABLE HALF-YEARLY ON 1st APRIL AND 1st OCTOBER.

A FIRST INTEREST PAYMENT OF £2.5512 (LESS INCOME TAX) PER £100 STOCK WILL BE MADE ON 1st APRIL, 1972.

The Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act, 1961.

By Resolution of the Council of the City of Birmingham:—Lloyds Bank Limited are authorised to receive applications for the above amount of stock at the Issue Department, P.O. Box No. 287, 51, Gracechurch Street, London EC3P 3DD or Colmore Row, Birmingham B3 3AD.

1. SECURITY.—The stock and interest thereon will be secured upon all the rates and revenues of the Corporation. The present issue of stock will rank pari passu with all issues of Birmingham Corporation stock created or to be created and all mortgages and bonds granted or to be granted since the passing of the Birmingham Corporation (Stock) Act, 1900, but by virtue of the provisions of that Act it will be subject to the prior charge of annuities, mortgages and stock existing at the passing of the Act; the amounts of these securities now outstanding are:—annuities £12,464, stock £6,975,562.

2. PROVISION FOR REPAYMENT OF LOANS.—The Corporation is required by Acts of Parliament and by the Consolidated Loans Fund (Birmingham) Schemes, 1949 and 1966, to make annual provision towards the repayment of loans and to transmit annually to the Secretary of State for the Environment an abstract of the accounts and a statistical statement relating to the loans fund.

3. PURPOSE OF ISSUE.—The proceeds of the present issue of stock will be paid into the consolidated loans fund established under the Consolidated Loans Fund (Birmingham) Schemes, 1949 and 1966, and applied (a) in the exercise of the statutory borrowing powers of the Corporation, (b) in replacing £7,000,000 Birmingham Corporation 2½ per cent. Redeemable Stock 1966/71 which will mature on 1st October, 1971, (c) in replacing moneys borrowed temporarily pending the raising of longer term loans (d) in redeeming, repaying or purchasing for extinction any authorised security of the Corporation and (e) for the purposes named in Article 44 of The Upper Tame Main Drainage Authority Order, 1966, under which the Corporation is authorised to lend to the Upper Tame Main Drainage Authority such sums as that body may be authorised to borrow.

4. REDEMPTION OF STOCK.—The stock will be redeemed at par on 1st October, 1981, unless previously cancelled by purchase in the open market or by agreement with the holders; but the Corporation has the option to redeem the stock at par, in whole or in part, on or at any time after 1st October, 1979, on giving three months' notice to stockholders in writing or by public advertisement.

5. REGISTRATION.—The stock when fully paid will be transferable in multiples of one penny by instrument in writing in any usual or common form, free of charge. The stock register will be kept at the City Treasurer's Department, P.O. Box 50, Council House, Birmingham B3 3AB, where all transfers will be registered.

6. INTEREST.—Interest at the rate of 8 per cent. per annum (less income tax) will be paid half-yearly on 1st April and 1st October by warrants, which will be sent by post at the stockholder's risk. In the case of joint accounts, the warrants will be forwarded to the person first named in the account unless instructions to the contrary are given in writing.

A first interest payment of £2.5512 (less income tax) per £100 stock will be made on 1st April, 1972.

7. APPLICATIONS AND GENERAL ARRANGEMENTS.—Applications on the prescribed forms, which must be accompanied by a deposit of £10 per cent. on the nominal amount applied for, will be received at Lloyds Bank Limited, Issue Department, P.O. Box No. 287, 51, Gracechurch Street, London EC3P 3DD, or Colmore Row, Birmingham B3 3AD; and must be for a minimum of £100 Stock or for multiples thereof up to £2,000 Stock. Applications for more than £2,000 Stock must be in multiples of £500 Stock.

A separate cheque must accompany each Application Form.

In the event of partial allotment, the surplus from the amount paid as deposit will be refunded to the applicant by cheque. If no allotment is made, the deposit will be returned in full. No allotment will be made for less than £100 of stock.

Payment of the issue price in full may be made in advance at any time on or after 27th October, 1971, and discount at the rate of 4 per cent. per annum will be allowed from the date of full payment.

Default in the payment of any instalment by its due date will render all previous payments liable to forfeiture and the allotment to cancellation.

Each applicant to whom stock is allotted will be sent a renounceable Letter of Allotment. Letters of Allotment which may be split up to 24th January, 1972 will incorporate forms of renunciation which will be available up to and including 26th January, 1972. Instalments of the issue price are due on 27th October, 1971, on 8th December, 1971, and on 12th January, 1972, and must be paid to Lloyds Bank Limited, Issue Department, P.O. Box No. 287, 51, Gracechurch Street, London EC3P 3DD, accompanied by the Letter of Allotment which will be appropriately marked and returned to the sender. No receipt will be given unless specifically requested. When payment in full is made the Letter of Allotment will be endorsed accordingly and returned to the sender unless the registration application form has been completed in which case Pages 1 and 2 only of the Letter will be returned to the sender.

Partly paid Letters of Allotment may only be split in multiples of £100 stock, but fully paid Letters of Allotment will be split in multiples of one penny of stock. No Letters of Allotment will be split unless all instalments then due have been paid. There will be no charge for splitting Letters of Allotment.

The Letter of Allotment will cease to be valid after 8th March, 1972, and if it has not been lodged at the City Treasurer's Department, P.O. Box 50, Council House, Birmingham B3 3AB, by that date, the stock certificate will be forwarded by ordinary post at the risk of the stockholder(s) to the (first) registered holder of the stock.

A commission of 12½p per £100 stock will be allowed to recognised bankers and stockbrokers on allotments made in respect of applications bearing their stamp; this commission will not, however, be paid in respect of any application which arises out of an Underwriting commitment.

8. STATISTICS.—Relating to the City of Birmingham:—

| | | |
|---|---|---|
| Population, as estimated by the Registrar-General, 1970 | | 1,084,180 |
| Rateable Value 31st March, 1971 | | £54,506,515 |
| Product of 1p rate 1971-72 (estimated) | | £519,50p |
| General Rate in £ levied 1971-72 | | 66p |
| Net Loan Debt, 31st March, 1971 | £ | |
| Housing | 271,459,000 | |
| Education | 46,372,000 | |
| Trading Undertakings | 15,873,000 | |
| Other Corporation Purposes | 104,066,000 | |
| Total City Debt | 437,769,000 | |
| Transferred Services | 3,638,000 | |
| Upper Tame Main Drainage Authority | 17,513,000 | |
| | | £458,920,000 |
| Provision for the redemption of debt, 1970-71 | | £6,908,000 |

9. PROSPECTUSES.—Prospectuses and Application Forms may be obtained from:—

LLOYDS BANK LIMITED, Issue Department, P.O. Box No. 287, 51, Gracechurch Street, London EC3P 3DD, or Colmore Row, Birmingham B3 3AD.

R. NIVISON & CO., 25, Austin Friars, London EC2N 2JB.

MURRAY & CO., Beaufort House, 94/96, Newhall Street, Birmingham B3 1PE.

THE TREASURER OF THE CITY, P.O. Box 50, Council House, Birmingham B3 3AB.

By Order of the Council,

T. H. PARKINSON, Town Clerk.

F. STEPHENSON, Treasurer of the City.

COUNCIL HOUSE,
BIRMINGHAM B3 3AB,
23rd September, 1971.

The List of Applications will be opened at 10 a.m. on Wednesday, 29th September, 1971, and closed on the same day.

APPLICATION FORM

for

## Birmingham Corporation 8 per cent. Redeemable Stock, 1979-1981

## Issue of £10,000,000 Stock at £100 per cent.

To: LLOYDS BANK LIMITED, Issue Department,
P.O. Box No. 287, 51, Gracechurch Street, London EC3P 3DD or
Colmore Row, Birmingham B3 3AD.

I/We hereby apply for * £ .......... (say .......... pounds) of Birmingham Corporation 8 per cent. Redeemable Stock, 1979-1981, according to the conditions contained in the Prospectus dated 23rd September, 1971, and undertake to accept the same or any less amount that may be allotted to me/us and to pay for the same in conformity with the terms of the said Prospectus. I/We request that any Letter of Allotment in respect of Stock allotted to me/us be sent to me/us by post at my/our risk at the (first written) undermentioned address and that such Stock be registered by the Birmingham Corporation in my/our name(s).

I/We enclose the required deposit of £.......... being £10 per cent. on the Nominal Amount applied for.

††I/We declare that the applicant(s) is/are not resident outside the Scheduled Territories†† and that the security is not being acquired by me/us as the nominee(s) of any person(s) resident outside those Territories.

.......... 1971. SIGNATURE ..........

Surname and designation (Mr., Mrs., Miss or Title) ..........

Forename(s) in full ..........

Address in full ..........

PLEASE USE BLOCK LETTERS

(The spaces below are for use in the case of joint applications)

Surname and designation (Mr., Mrs., Miss or Title) ..........

Forename(s) in full ..........

Address in full ..........

PLEASE USE BLOCK LETTERS

Surname and designation (Mr., Mrs., Miss or Title) ..........

Forename(s) in full ..........

Address in full ..........

PLEASE USE BLOCK LETTERS

*Applications must be for a minimum of £100 Stock or for multiples thereof up to £2,000 Stock. Applications for more than £2,000 Stock must be in multiples of £500 Stock. [illegible]

A SEPARATE CHEQUE MUST ACCOMPANY EACH APPLICATION FORM. [illegible]

# INTERIM STATEMENTS

## BOWYERS (WILTSHIRE) LIMITED

The Directors of Bowyers (Wiltshire) Limited have declared an Interim Dividend of 5% (1970—5%) less Income Tax on the Ordinary Shares of the Company, payable on 22 October 1971 to Shareholders registered at close of business on Friday 24 September 1971.

**Unaudited trading results show:—**

| | 28 weeks to 17 July 1971 £ | 28 weeks to 18 July 1970 £ |
|---|---|---|
| TURNOVER | | |
| Invoiced value of sales | 11,818,192 | 10,750,911 |
| French associate—50% share | 420,552 | 334,400 |
| | 12,238,744 | 11,085,311 |
| TRADING PROFIT | 715,425 | 550,835 |
| Finance charges | 65,619 | 75,084 |
| | 649,806 | 475,751 |
| French associate—50% share | 50,608 | 47,233 |
| PROFIT BEFORE TAXATION | 700,414 | 522,984 |
| Taxation | 287,366 | 222,117 |
| PROFIT AFTER TAXATION | 413,048 | 300,867 |
| INTERIM ORDINARY DIVIDEND (GROSS) | £101,475 | £100,475 |

*Note: Trading profit is stated after charging depreciation of £195,505 (1970—£200,748).*

### CHAIRMAN'S STATEMENT

As anticipated, pig supplies were adequate and reasonably priced, whilst beef continued scarce and expensive.

During the last few months sales have displayed an improving trend. The rationalisation of Brazils van sales fleet continued apace, and the transfer of production to their other two factories following the closure of Winchester on May 31 proved to be a demanding task.

Whilst we have succeeded in maintaining satisfactory progress during a difficult and inflationary period, if we are to maintain our momentum in the months ahead, it is vital to hold down our costs. This is particularly important against the background of the commitment to the Confederation of British Industry by a majority of leading companies, including many in the food sector, to limit any rise in prices to 5%.

With labour costs about to rise and meat prices expected to harden it is difficult as usual to forecast with any accuracy the year's results. Barring unforeseen circumstances however I am confident that shareholders will not be disappointed at the outcome of our full year's results.

*Signed* H. M. NEWTON-CLARE (CHAIRMAN)

*16 September 1971*

# THARSIS

## THE THARSIS SULPHUR & COPPER CO. LTD.

INTERIM STATEMENT
Six months ended 30th June, 1971.

| | 6 months to 30.6.71 (unaudited) £ | 6 months to 30.6.70 (unaudited) £ | Year 1970 £ |
|---|---|---|---|
| Turnover | 1,774,000 | 2,979,000 | 5,058,225 |
| Profit (Loss) before Taxation | (47,000) | 746,000 | 943,362 |
| Estimated Taxation | 2,000 | 162,000 | 130,572 |
| Profit (Loss) after Taxation | (49,000) | 584,000 | 812,790 |
| | Tons | Tons | Tons |
| Pyrites Sales Tonnage | 468,000 | 615,000 | 1,091,093 |
| Dividend | — | 5% | 7½% |
| Cost of Dividend | — | £125,000 | £187,500 |

The severe fall in turnover for the six months to June, 1971, compared with the same period of the previous year, is due to reduced tonnage of sales together with lower prices for pyrites. So far as tonnage is concerned, deliveries for the first half of 1971 were at the same rate as for the second half of 1970 when there was also a sharp fall in profits. Prices for the first half of this year however were substantially lower than for 1970. These lower prices were referred to in my Review of April, 1971, when I drew attention to the very serious effect of the sharp decline of sulphur and copper prices on the price of pyrites. Sulphur and cinder prices are in fact lower than at any time over the past seven years while wages and all other costs of production have increased very substantially in that period. An improvement in trading conditions before the end of the year is not expected but there are indications that sales prices for 1972 will recover.

As a result of this period of poor trading together with the need to complete our capital expenditure programme, substantial short term bank facilities have been arranged. The Board has decided that no interim dividend be paid for 1971.

GLENCONNER,
Chairman.

Registered Office:
136 West George Street,
Glasgow, C.2.
22nd September, 1971.

# Hall Engineering (Holdings) Limited

## Interim Dividend on Ordinary Shares

The unaudited results of the group for the six months ended 30th June, 1971 are as follows:—

| | 6 months to 30th June, 1971 £'000 | 6 months to 30th June, 1970 £'000 |
|---|---|---|
| Group Turnover | 11,642 | 12,036 |
| Group Profit before Taxation (all attributable to members of the parent company) | 850 | 850* |
| Taxation (estimated) | 350 | 370 |
| Half-year Preference Dividend | 46 | 46 |
| Profit available for Ordinary Shareholders | 454 | 434 |
| Interim dividend of 9% (1970—8%) on Ordinary Share Capital of £1,872,000 | 170 | 150 |

* Included £150,000 of a non-recurring nature arising from steel price increases.

The directors have declared an interim dividend of 9% (1970—8%) on the Ordinary share capital in respect of the year ending 31st December, 1971, payable on 2nd November, 1971 to shareholders on the register at the close of business on 1st October, 1971.

Group profits suffered a reduction in the contribution from the steel stockholding division but this was more than compensated by improved performances from the other divisions in the group and the directors hope to be able to report that the profits for the year as a whole will be not less than those for 1970.

Gigantic bucket wheel excavator for opencut mining from the O&K programme

## ORENSTEIN & KOPPEL

Aktiengesellschaft
W.-Germany

The Annual General Meeting of ORENSTEIN & KOPPEL AG was held in Berlin on July16, 1971, and the following are details of the report presented by the Board of Directors.

### Review

Economic boom conditions still prevailing during the first half of the year under review resulted in a vigorous increase of turnover by 34 per cent. from DM377m. to DM505m. (excluding Value-Added Tax). Output as a whole rose by 25 per cent. from DM423m. to DM529m.

The export ratio rose to 30 per cent. following a below-average performance of only 25 per cent. during the preceding year. In figures, exports accounted for DM150m. (1969: DM94m.) and thus appreciably contributed towards the above-average growth during the year under review.

The order book at the end of the year was up by 14 per cent. as a result of vigorous demand in almost all sectors. The export ratio amounted to 17 per cent. Investments in fixed assets totalling DM41.2m. were utilised to rationalise and strengthen the Company's production facilities.

The building machinery sector grew by 25 per cent. despite severe competition and with a share of turnover of DM300m. continues to be the Company's strongest sector. This above-average performance is the result of the Company's endeavours to offer a reliable after-sales service.

Rolling stock turnover remained on the level of the preceding year. Following further cost increases prices remained unsatisfactory. The slightly increased volume of incoming orders will safeguard employment until 1972 at the Company's Berlin and Dortmund works.

The Lübeck shipyard almost doubled its turnover. With seven freighters under construction capacities were well utilised and cost advantages achieved. The higher order book ensures employment in 1971 and 1972.

Escalators and diesel engines developed satisfactorily, as did the new forklift truck sector in accordance with forecasts.

### Prospects

Business development during the first few months of the current year points to a further turnover increase in 1971, although at a lower rate than during 1970. The altered currency situation following the floating of exchange rates is having a further adverse effect on export trade still suffering from the last revaluation of the D-Mark in 1969. ORENSTEIN & KOPPEL as export-dependent manufacturers are particularly concerned about this development.

### Employees

The Company's labour force at the end of the year under review amounted to 8,429, an increase of about 300 in line with expansion of turnover. The rate of foreign labour was about 10 per cent.

### Profit and Dividend

Net profit for the year amounted to DM4,375,000. It was accordingly proposed to distribute a dividend of 14 per cent. on the share capital of DM31,250,000.

### Increase of Share Capital

It was further proposed in the following way to raise the Company's share capital by DM18,750,000 to DM50,000,000:—

(a) by DM6,250,000—by converting statutory reserves into share capital on a 5:1 basis by issuing new bearer shares of DM1,000 and DM100 nominal, ranking for dividend in 1971 at a rate of 50 per cent;

(b) by DM12,500,000—by issuing new bearer shares of DM1,000 and DM100 nominal, ranking for dividend in 1971 at a rate of 50 per cent., at a price of DM240 per share of DM100. These latter will be offered to existing shareholders on a 5:2 basis.

The report, the accounts and the proposals put forward by the Board were adopted.

| | | 1970 | 1969 | 1968 | 1967 | 1966 |
|---|---|---|---|---|---|---|
| Turnover | DM m. | 505.2* | 377.2* | 341.5* | 325.4 | 317.3 |
| Export Ratio | % | 30 | 25 | 40 | 44 | 51 |
| Total Output | DM m. | 529.8 | 423.3 | 344.2 | 297.2 | 329.7 |
| Wages and Salaries | DM m. | 166.6 | 127.8 | 110.8 | 95.8 | 102.4 |
| Labour Force | | 8,429 | 8,146 | 7,097 | 6,874 | 7,398 |
| Investments | DM m. | 41.2 | 40.2 | 12.6 | 8.9 | 13.4 |
| Depreciation | DM m. | 20.8 | 17.4 | 12.0 | 10.2 | 10.9 |
| Depreciation on Investments | % | 50.5 | 43.3 | 95.2 | 114.6 | 81.3 |
| Share Capital | DM m. | 31.25 | 31.25 | 25.0 | 25.0 | 25.0 |
| Reserves | DM m. | 20.6 | 29.2 | 21.6 | 20.4 | 16.6 |
| Annual Surplus | DM m. | 5.8 | 5.3 | 4.7 | 4.0 | 3.0 |
| Dividend (distributed) | DM m. | 4.4 | 3.9 | 3.5 | 3.0 | 3.0 |
| Dividend (rate) | % | 14 | 14 | 14 | 12 | 12 |

* Excluding VAT.

Orenstein & Koppel
Aktiengesellschaft
Head Office:
Dortmund-Dorstfeld

Orenstein & Koppel Ltd.
Head Office:
King's Lynn, Norfolk

*All of these securities having been sold, this advertisement appears as a matter of record only.*

VETCO

## 400,000 Shares

# VETCO OFFSHORE INDUSTRIES, INC.

## Common Stock

| | | |
|---|---|---|
| Dean Witter & Co. Incorporated | | Shearson, Hammill & Co. Incorporated |
| Blyth & Co., Inc. | duPont Glore Forgan Incorporated | Eastman Dillon, Union Securities & Co. Incorporated |
| Goldman, Sachs & Co. | Hornblower & Weeks-Hemphill, Noyes | Lehman Brothers Incorporated |
| Smith, Barney & Co. Incorporated | White, Weld & Co. | Bache & Co. Incorporated |
| A. B. N. Corporation | American UBS Corporation | Basle Securities Corporation |
| Burnham and Company | CBWL-Hayden, Stone Inc. | Clark, Dodge & Co. Incorporated — Robert Fleming Incorporated |
| Harris, Upham & Co. Incorporated | Hill Samuel Securities Corporation | E. F. Hutton & Company Inc. |
| W. E. Hutton & Co. | Paribas Corporation — Pitfield, MacKay & Co., Inc. | Reynolds Securities Inc. |
| L. F. Rothschild & Co. | Suez American Corporation | Walston & Co., Inc. |
| Banque de Neuflize, Schlumberger, Mallet | Cazenove & Co. | Pierson, Heldring & Pierson |
| | S. G. Warburg & Co. Limited | |

## FARYNERS HOUSE IS PRE-LET TO LLOYDS BANK

FARYNERS HOUSE, the Ronald Lyon's 75,000 square feet development at the Monument, has been pre-let to Lloyds Bank. The rent is believed to be very close to the asking figure of £800,000 per annum.

## NEW TOURIST CENTRE IN DOVER

An information centre is being opened to-day in Townwall Street, Dover, by the South-East England Tourist Board. Its staff of five, who speak French, German, Italian and Spanish, will have as manager, Mr. John Funnell, formerly Kent Area manager of the Automobile Association.

## Fishermen tell Heath about fears on limits

REPRESENTATIVES of East Coast fishermen met Mr. Heath at Scarborough over the weekend to tell him of their concern about Britain's entry into the EEC.

The fishermen fear that if the 12-mile limit is abolished, or if foreign fishing fleets are allowed into British territorial waters, their livelihood will be ruined.

Colonel Arthur Dunn, president of the North-east group of the Inshore Fishermen's Association said Mr. Heath had been very sympathetic.

Colonel Dunn told him the limit should be extended to 16 miles and kept exclusively for British fishermen.

## COWAN, de GROOT LIMITED

(Toys, Fancy and Electrical Goods)

CODEG Productions

*Points from the Statement of the Chairman—Mr. E. A. de GROOT:—*

INCREASED GROWTH AND DIVIDEND

- Group net profit for extended period to 30th April, 1971, subject to tax, at £397,306 represents a new record.
- Dividend increased to 35 per cent. (1970—32 per cent.).
- Sales in Toys and Fancy Goods Division increased during year and are currently running at a higher level than last year.
- The Electrical Division now contributes a substantial part of total Group profits. Almost all sections produced record results and current sales continue to increase.
- With the removal of hire purchase restrictions and easing of purchase tax the upswing in sales in all Divisions should continue. The next twelve months are expected to show a further significant increase in profits.

# ANGLO-ALPHA CEMENT LTD.

*(Incorporated in the Republic of South Africa)*

## *Review by Mr. E. J. Schmidheiny*

The 37th annual meeting will be held in Johannesburg on 19th October 1971. The following review by the chairman, Mr. E. J. Schmldheiny has been circulated with the report and accounts for the year ended 30th June, 1971:

The Company is again able to report a year of expanded activity and increased profits.

Highlights of the year were increased Group turnover, increased pre-tax profits, increased dividends paid and the raising of the R9 million Euro-dollar and Swiss loans.

Difficulties experienced were the steeply rising pattern of costs, the shortage of skilled labour, the inadequate supply of rail trucks and tarpaulins and fluctuating despatch levels.

### Profits and Dividends

Group trading revenue for the year was R9 775 000 compared with R7 917 000 for 1970 and profit before taxation at R5 819 000 was R450 000 higher than that of 1970. After allowing for taxation of R1 952 000 the net Group profit amounted to R3 867 000 compared with R3 197 000 in the previous year.

Increased interim and final dividends absorbed R1 864 000 (1970—R1 736 000). After allowing for the interest of outside shareholders and other appropriations, an amount of R850 000 has been carried forward towards the cost of future Group expansion and diversification.

The contribution to consolidated pre-tax profits by each of the Group major products was broadly as follows:

| | |
|---|---|
| Cement ............ | R4 317 000 |
| Stone ............... | R891 000 |
| Lime ............... | R611 000 |

The contribution by stone crushing interests is increased to R1 942 000 if the holdings in Hippo Holding Company Limited and South African Quarry Industries Limited is brought to account.

### Cement

The exceptionally high demand for cement during the first six months of the financial year exceeded the capacity of the factories and the Industry had to resort to importations and, in certain instances, rationing. As a result of stock build-up by consumers during the builders' recess in December, despatches fell off sharply during the first three months of 1971, but, with the cyclical increase in building tempo between August and November, demand is again running at a very high level. Unfortunately, due to labour difficulties, it was not possible to alleviate the supply position by shortening the construction period of the major extension at Dudfield, commenced in April, 1970, due to come on stream next month.

The increase in sales of cement and clinker from 35.8 million pockets to 39.3 million pockets was not matched by a corresponding increase in net trading revenue due mainly to increased distribution costs resulting from the transfer of clinker between factories to maximise availability of cement.

It was recently announced in the press, that Pretoria Portland Cement Company Limited, Eastern Province Cement Company Limited, Whites South Africa Portland Cement Company Limited and this Company had entered into an agreement, effective from 1st July, 1971, whereby the marketing of cement would be channelled through a central marketing company. It is considered that considerable savings, deriving from the rationalisation of cement distribution and the planning of future expansion on an industry basis, will accrue to the Company to the benefit of shareholders and customers alike.

Kiln No. 2 at Dudfield, estimated to finally cost R15 000 000, will allow the Company to rationalise production further. Provided demand continues to increase as in the past, the additional capacity of the Company and the other parties to the rationalisation agreement will be rapidly absorbed.

National Portland Cement Company Limited has operated at full capacity for the past two years and profits remain approximately the same.

Plans for the erection of a cement factory at Karibib, South West Africa, are well advanced and, subject to the satisfactory conclusion of current negotiations, it is expected that erection will commence during the next twelve months. The factory will be operated by South West Africa Portland Cement Limited.

### Stone

The Company's interest in the stone crushing and quarrying field is derived from its investment in Hilton Quarries Holdings (Proprietary) Limited (formerly Hilton Quarries (Proprietary) Limited), Hippo Holding Company Limited and South African Quarry Industries Limited.

Hilton Quarries Holdings (Proprietary) Limited was acquired with effect from 1st July, 1970, and has had a highly successful year of operation. Net profit after tax of the Hilton group of companies amounted to R534 000 and dividends of R400 000 were declared and paid. During the year Hilton Quarries Holdings (Proprietary) Limited acquired the entire issued share capital of Leach & Brown Holdings (Proprietary) Limited and Crankshaw Quarries (Proprietary) Limited—both operating quarries in the Ladysmith area.

Hippo Holding Company Limited recorded increased consolidated profits of R1 463 000 for the year. Details of the operations of Hippo Holding Company Limited and its subsidiary, South African Quarry Industries Limited, appear elsewhere in this report and in the published accounts of those companies.

The demand for quarried and crushed stone continues at a high level and, as a result of the strategic situation of Group quarries in the major development areas of Natal, Cape Province and the Transvaal, it is expected that the Company's quarry interests will prove to be an increasingly profitable source of income.

### Lime

The demand for lime and limestone products marketed by Union Lime Company Limited remained at a high level throughout the year and all kilns produced at maximum capacity. Turnover for the year at R3 313 000 was R560 000 higher than that of the previous financial year resulting in a net profit of R357 000.

The limestone deposit of Union Lime Company Limited comprises high grade limestone, which is used for the manufacture of burnt and hydrated lime products, and the less profitable low grade limestone which is used by the fertilizer, chemical and cement industries. Although the reserves of low grade limestone are sufficient for more than fifty years, the reserves of high grade limestone are rapidly being exhausted. Options have been acquired over large deposits of high grade limestone in the Danielskuil area of the Northern Cape for the future long-term development of a lime works.

### Cement additives and sealants

The company has acquired a substantial interest in Durajoint Construction Products (Proprietary) Limited—a company operating in the chemical and cement additive fields. The company's scale of operations was considerably expanded during the financial year under review and extensive alterations and additions made to buildings, plant and machinery. Expenditure in this connection has been funded by Anglo-Alpha Cement Limited by way of loans and guarantees. Results to date have been extremely disappointing and heavy trading losses have been incurred in bringing the company into full-scale operation. Provision has been made in the accounts for these losses. Vigorous efforts are being made to bring the company to a profit earning stage.

### Other Interests

Details of Group interests, which include investments in property, fertilisers, ready mixed concrete and computer services, are listed elsewhere in the report and accounts. These interests will be developed and expanded as the opportunity arises.

### Euro-dollar and Swiss franc loans

As reported in the press the Group has raised various loans totalling R9 million at an average interest rate of 8.1 per cent per annum. The loans, details of which are given in the directors' report, will be used to finance current capital expenditure within the Group.

### Prospects

It is expected that the Company will be able to improve on the existing level of profits in the current financial year and that the results from associated and subsidiary companies will also show an upward trend. There is no doubt, however, that in the face of the inflationary pressures, the rising cost structure and the uncertain economic conditions prevailing, it will not be easy to fulfil this expectation.

### General

I would like to acknowledge the important services provided to the industry by the staff of the South African Cement Producers Association and the Portland Cement Institute.

Finally I wish to place on record your board's warm appreciation of the services rendered by all employees of the Group.

# Bland, Welch & Co. Ltd.

Mr. Neil Mills, Chairman of Bland Welch & Co. Ltd., a member of the Montague Trust Group, announces that Heads of Agreement have been reached between Bland, Welch & Co. Ltd., and Monsieur Raymond Jutheau with a view to sharing certain of their insurance broking interests in France. It has been agreed that a French holding company be formed between them. Monsieur Raymond Jutheau will assume its presidency and shall hold the majority of shares. This Company's assets shall include Comptoir Général d'Assurances, French subsidiary company of Bland, Welch & Co. Ltd., as well as shares in the Union Française de Réassurance and in the Société du Cabinet Alfred Stevens, companies belonging to the Groupe Jutheau. These three companies shall retain their own administration and their present management.

FT INDEX OF GROCERY PRICES

# Just a little cheaper

BY SHEILA BLACK

THE FINANCIAL TIMES Grocery Index is down by 0.14 point to 105.26, a minute fall, but a fall nevertheless. Last month the signs were, as I predicted, that prices should remain steady during September and, indeed, October and November, rising again around Christmas.

As it is, and if the Indian summer holds, we should be in for a bigger drop in October.

This month's fall was due to the cheaper, readily available fruit and vegetables. Meat, frozen foods, and beverages were marginally dearer—very marginally, and mainly due to an absence of special offers. Eggs have been cheaper, too.

Most shoppers comment that purchase tax reductions from the July Budget, while yielding "price-reduced" labels in many shops, have not affected food prices. A spot check, in and around the Financial Times offices, show that women had not realised how many lines were exempt from purchase tax, or from high levels of purchase tax, before the Budget. The tiny decreases which might have been made on some lines have been offset by prices which had already been scheduled to rise in August or September.

Total of 11 shopping areas

| | September £ p | August £ p |
|---|---|---|
| DAIRY PRODUCE, FATS, EGGS, ETC. | 66.69 | 66.59 |
| SUGAR, TEA, COFFEE AND SOFT DRINKS | 27.13 | 26.96 |
| BREAD, FLOUR, CEREALS, BISCUITS AND CAKES | 34.85 | 34.85 |
| PRESERVES AND DRY GROCERIES | 10.67 | 10.41 |
| SAUCES AND PICKLES | 6.12 | 6.17 |
| CANNED FOODS | 21.06 | 21.32 |
| FROZEN FOODS | 17.21 | 16.99 |
| FISH, MEAT, BACON, ETC. (FRESH) | 67.96 | 66.85 |
| FRUIT AND VEGETABLES | 33.93 | 35.78 |
| NON-FOODS | 25.49 | 25.60 |
| | 311.11 | 311.52 |

OLD INDEX
1964: Nov. 100; Dec. 102.35.
1965: Jan. 101.41; Feb. 102.23; Mar. 102.58; April 103.16; May 103.70; June 105.28; July 105.88; Aug. 105.31; Sept. 103.66; Oct. 103.13; Nov. 103.95; Dec. 105.93.
1966: Jan. 105.80; Feb. 104.66; Mar. 105.39; April 106.78; May 108.21; June 109.90; July 109.34; Aug. 108.47; Sept. 107.74; Oct. 106.81; Nov. 107.47; Dec. 108.16.
1967: Jan. 108.85; Feb. 108.20; Mar. 107.66; April 108.20; May 109.75; June 113.96; July 110.45; Aug. 107.25; Sept. 106.18; Oct. 106.66; Nov. 107.58; Dec. 111.67.
1968: Jan. 112.91; Feb. 112.12; Mar. 111.75; April 112.10; May 112.68; June 114.75; July 112.20; Aug. 112.09; Sept. 111.12; Oct. 111.47; Nov. 112.06; Dec. 114.49.
1969: Jan. 114.80; Feb. 116.70; Mar. 117.67; April 118.31; May 120.57; June 122.92; July 121.59; Aug. 118.79; Sept. 117.48; Oct. 118.14; Nov. 118.83; Dec. 121.23.
1970: Jan. 122.04; Feb. 123.05; Mar. 123.70; April 125.82; May 126.32; June 129.76; July 129.42; Aug. 127.02; Sept. 127.03; Oct. 126.67; Nov. 127.68; Dec. 128.5.
1971: Jan. 131.23.
NEW INDEX:
1971: Feb. 100; Mar. 101.09; April 102.73; May 105.75; June 108.00; July 107.24; Aug. 105.40; Sept. 105.26.
List of components of our Shopping Basket free on request.



# The British Electric Traction Company, Limited

## Sir John Spencer Wills forecasts further increase in profits

**The Annual General Meeting of The British Electric Traction Company, Limited will be held on 14th October 1971, at the Connaught Rooms, Great Queen Street, London, W.C.2.**

The following are extracts from the Review by Sir John Spencer Wills, Chairman and Managing Director, which has been circulated with the Report and Accounts for the year *ended 31st March 1971*:

### Accounts

The year ended 31st March 1971, saw a continuation of the growth of the previous year, but at an increased rate. The Accounts now presented show a profit attributable to the B.E.T. Company, after tax and minority interests, of £9,032,000 compared with £8,178,000 for the previous twelve months—an increase of 10.4 per cent on the record profit of the previous year.

Last year, I referred to the 20 per cent increase in earnings we had derived from the reinvestment of the £36 million cash received from the sale of the Group's United Kingdom bus interests, compared with the last full year's contribution from the former bus companies. Today, the following postscript can be added. In 1970, the National Bus Company incurred an operating loss of some £5 million, due mainly to factors beyond its control, such as general wage and price inflation and declining passenger traffic. How much of that huge loss was attributable to the former bus interests of the B.E.T. Group is not known but, without doubt, it would have been a formidable figure. By contrast, in 1970 the businesses and investments we acquired with the £36 million proceeds of sale produced a gross profit of £4.1 million and, after tax and minority interests, a net profit of just over £2.5 million.

In accordance with a general recommendation of The Institute of Chartered Accountants, the Consolidated Profit now includes our share of the profits of Associated Companies; in former years only the dividends received from those companies were included. All the relevant figures of the previous year have been adjusted so that they are comparable. The profit attributable to B.E.T. in respect of its interests in Associated Companies is £1,730,000 for the year under review, compared with £1,699,000 for the previous twelve months.

### Canadian Motorways

Twelve months ago, the prospects for any recovery by Canadian Motorways during 1970 did not appear encouraging. I am pleased, therefore, to report that our Canadian subsidiary's pre-tax profit last year of £451,000 was an improvement of 14 per cent on the 1969 result. Whilst this profit does not represent a satisfactory return on capital invested, the company emerged well from what was a particularly bad year for the Canadian road transport industry.

Although the recently announced surcharge on imports into the United States of America will affect Canadian Motorways, I am optimistic that the group's results for 1971 will show further improvement.

### Humphries Holdings

The continuation of the recession in the feature film and television industries, to which I referred in my last Review, had a most damaging effect on Humphries Holdings, the major part of whose business comes from those two industries. A pre-tax loss of £329,000 was incurred in the year to 31st March 1971, compared with a pre-tax profit of £362,000 in the previous year.

Conditions in the film industry continue to be difficult but the Chairman of Humphries Holdings is convinced the company will show improved results in the current year and that, when recent capital investments become more productive and the full effect is felt of the various steps which have been taken to achieve greater efficiency, including certain senior management changes, Humphries Holdings will again earn satisfactory profits.

### Argus Press Holdings

The pre-tax profit of Argus Press Holdings for 1970, at £383,000, was £100,000 better than the previous year's result.

In December last, Argus Press Holdings purchased two weekly newspaper groups from United Newspapers for a cash consideration of £1,050,000. They were the South London News Group, which operates in the southern suburbs of London and is geographically contiguous to our East Surrey Newspapers, and the Hornsey Journal Group which publishes weekly papers in North and West London. The benefits of rationalisation of the weekly newspaper interests will not be felt immediately and in the current year the pre-tax profit of Argus Press Holdings will be lower due to the cost of financing the acquisition of the two new groups.

### Advance Laundries

Advance Laundries did considerably better in 1970 than had been expected at the time of my last Review. There was an 18.8 per cent improvement at the pre-tax level, which lifted profits to a record £1,477,000. All sectors of Advance Laundries contributed to this excellent result but the commercial services—Towelmaster cabinets, linen and garment hire and related services—again contributed over three-quarters of the profit.

The Vendmaster subsidiary, to which I referred last year and which provides hot and cold beverages from automatic machines, made useful progress. Another service which appears to have a promising future and complements the office cleaning facilities offered by the group, is the new 'Dustmaster' mat-processing and hire service from the United States, which Advance Laundries has recently introduced in the London area. These mats are considered to be the most efficient of their kind in preventing the entry of dirt and moisture into buildings.

The cut of one-half in the rates of S.E.T. in July this year, was a welcome step by the Government towards the promised abolition of this tax but, unfortunately, the resultant saving will be more than offset by rises in the cost of materials and services and a pending increase in labour rates resulting from a recent award by the Laundry Wages Council.

Despite continuing increases in costs, I am hopeful that in the current year Advance Laundries will improve on its record profit of last year.

### Plant Hire

In a highly competitive market, Eddison Plant and Grayston each successfully increased profits last year and, including a six months' contribution from the new subsidiary, J. D. White, the plant hire interests produced total pre-tax profits of £1,312,000.

The plant hire industry is presently suffering from the effects of the economic recession on the civil engineering and construction industries. Increasing capital and other costs and the withdrawal of investment grants have made the purchase of some types of construction plant uneconomic at the level of hire charges now prevailing, whilst the increased competition resulting from the lack of expansion in civil engineering and construction work is inhibiting plant hirers from raising charges to the levels needed to cover increasing costs.

Plant hire nevertheless remains basically a growth industry and the answer to the immediate problem lies in a greater and more balanced work programme for the civil engineering industry; under present conditions this may take time to materialise. For that reason, our plant hire interests, whilst they should match their last year's performance, are not expected to show an increase in total profits in the current year.

### Murphy Bros.

The opencast mining activities, which are the major part of Murphy Bros.' business, produced a useful improvement in pre-tax profit in the company's financial year to 30th November 1970. This improvement was, however, in part offset by a reduction in the contribution of the road haulage side of the business, where rapidly rising costs and keen competition made it difficult to maintain reasonable margins. Even so, Murphy Bros.' profit of £1,505,000, before tax, was a record for the company.

### Rediffusion Television

I am pleased to say that when Rediffusion Television's accounts for the year which ended in July last, are prepared, they will show a considerable improvement due to an increase in the profits of Thames Television, in which Rediffusion Television has a 50 per cent shareholding. The halving by the Government in February this year of the levy on television advertising revenue and the subsequent increase in the level of advertising revenue itself are responsible for the improvement in Thames Television's position.

### Rediffusion Holdings

For the year to 31st March 1971, the pre-tax profit of Rediffusion Holdings was £586,000, compared with £623,000 for the previous twelve months. The reduction in profit is attributable chiefly to lower earnings by Wembley Stadium, which had to meet considerable increases in costs, partially offset by an improvement in the earnings of Walport, the other main operating subsidiary of the Rediffusion Holdings group. Walport provides filmed entertainment on ships at sea and, for the fifth year running since the business was acquired, increased the number of ships it services, on this occasion by no less than 20 per cent.

A building lease has been granted by Wembley Stadium for the construction of a hotel at Wembley by the Esso Motor Hotel Group and this building is expected to be completed by March 1973. Negotiations are proceeding for detailed planning permission for the erection on Wembley Stadium's land of the conference centre and warehousing I referred to last year, and also office accommodation.

### North Sea Interests

Last year, I mentioned that B.E.T. had taken a 5 per cent interest in a consortium formed by the Phillips Petroleum Company to search for oil in the United Kingdom section of the North Sea and that the consortium had been granted licences in respect of nine blocks, some of them jointly with The British Petroleum Company Limited. Seismic evaluation is still continuing and no drilling has yet taken place.

Under the latest round of licence applications invited by the British Government this summer, another consortium, formed by Phillips Petroleum, in which B.E.T. also has an interest, of 5 per cent or 7 per cent according to area, has applied for further blocks on the United Kingdom Continental Shelf.

### Boulton & Paul

Twelve months ago, I referred to the considerable resurgence of business experienced by Boulton & Paul, particularly in the joinery and engineering activities, in the late spring and early summer of 1970. That increase in demand continued to accelerate at a remarkable rate and resulted in a profit, before tax, of £2,372,000 in respect of, on this occasion, an extended accounting period of eighteen months to 31st March 1971, in consequence of the change in the company's financial year-end. Of this pre-tax profit there has been included in B.E.T.'s Consolidated Profit and Loss Account an amount of £1,935,000, being that portion of the profit attributable to Boulton & Paul's operations in the twelve months ended 31st March last. Although the periods are not strictly comparable, the profit of £1,935,000 taken into the Group Accounts may be contrasted with Boulton & Paul's pre-tax profit of £1,079,000 for the twelve months to 30th September 1969, and the previous record profit of £1,224,000 for the year to 30th September 1968.

The Boulton & Paul group continues to do well and even better results are expected for the current financial year.

### Rediffusion

Although Rediffusion's trading results showed a considerable improvement in the year to 31st March last, the profit, before tax, of £6,391,000 was marginally less than that of the previous twelve months.

Owing to galloping inflation, costs advanced more rapidly than revenue and, whilst Rediffusion secured a good share of the new business in colour television sets, the growth in that market over the year was not as great as had been expected. There was also a substantial turn-round from interest received in the previous year to interest paid owing to the cost of servicing new investment, mainly in colour television sets.

Rediffusion's television set business in the United Kingdom, and the cable networks which support it, account for two-thirds of the group's profit. Colour television, despite its growth during the year having been slower than expected, still made a very appreciable contribution to that profit. Since the end of the year, the total removal by the Chancellor of the Exchequer in July of all controls on hiring and hire-purchase and the reduction he made in purchase tax, have stimulated tremendous public interest in colour television. With the big reduction it has been possible to make, without casting discretion aside, in the level of the initial payment, many more homes will be able to afford colour sets. It is too early yet to assess the effect in the long term but Rediffusion's colour television business is currently increasing rapidly.

Rediffusion Industrial Services, which provides pretty well every kind of communications installation, again had a record year in its rental business.

Redifon, Rediffusion's principal manufacturing company, achieved new records in turnover and exports but, disappointingly, the profits of its United Kingdom operations did not keep pace. Prospects for the communications and marine division in the current year are bright but the difficult liquidity position of some of the world's airlines is currently retarding the placing of orders for flight simulators.

It is not possible in this Review to do more than refer briefly to some of Rediffusion's many activities in communications and electronics. Suffice it to say that Rediffusion is a firmly based group with excellent potential and an active, forward-looking management.

### Current Year

Shareholders may not appreciate the extent to which the pattern of B.E.T.'s interests has changed since the sale of our United Kingdom bus interests in 1968. In 1967, some 22 per cent of our net earnings came from passenger road transport at home—a declining industry. Today, with the £36 million sale proceeds reinvested, not only do we derive an increased income from a larger number of sources but our new businesses are in what we consider to be growth areas.

It was only in the past year that we really began to reap the benefits of the groundwork put into the development and expansion of the businesses in which we have invested our money. We should reap further benefits from the development and expansion of these interests in the current year.

Whilst I must make the usual qualification that any forecast could be rendered unrealistic by a deterioration in the national economy, it is my personal view that our profit for the current year, after tax and minority interests, should exceed £10,000,000.

**Copies of the Report and Accounts, containing the Chairman's Review, can be obtained from The Secretary (FT), Stratton House, Piccadilly, London, W1X 6AS.**

The B.E.T. Group

# THE WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not available whether dividends concerned are interims or finals. The subdivision shown below is based mainly on last year's time-table.

TO-DAY

COMPANY MEETINGS—

Ashworth and Steward, Sutton Coldfield. 12.

Brown (N.) Invsts., Manchester. 12.30.

English and Overseas Invsts., 6, Vigo Street, W., 12.

Hammond (L.), 14, St. Mary Axe, E.C., 12.30.

Hattersley Steirad, 10, Belgrave Square, S.W., 3.

Jackson (Daniel T.), Colchester. 3.30.

Kay-Bevan, Birmingham. 3.

Marshalls (Halifax), Halifax. 2.30.

Stock Conversion and Invst. Tst., Cafe Royal, W., 12.

Ward and Goldstone, Salford. 11.30.

* Extra-ordinary Meeting.

Tecalemit deb. stk., 3½ pc.

Tendring Hundred Waterworks deb. stk., 2½ pc.

Trafalgar House Invsts. deb. stk., 5½ pc. Do. Ln. stk., 6, 6½ pc. Do. Ln. stk. (carrying rights to subscribe), 4½ pc.

Union Steel Corp. (of S.A.) 8.8717p. Do. Preferent. E. 3.5p.

West Pennine Water Board 8½ pc bds. red. £4.2866

Westminster 8½ pc bds. red., £4.2608.

Williamson Tea. 8p.

Youghal Carpets. 3.75p

THURSDAY, SEPTEMBER 30

COMPANY MEETINGS—

AVP Inds., Harbet House, N., 2.

Acrow (Engineers), 8, South Wharf Road, W., 9.30 a.m.

Continued on Page 12

# Oil talks likely next month on States' participation

BY ADRIAN HAMILTON

NEGOTIATIONS BETWEEN the International oil companies and the producing countries about State participstion in local concessions ore expected to start next month, following an extraordinary meeting of the Organisation of Petroleum Exporting Countries (OPEC) last week.

The resolutions by the meeting on the issues of participation and the present monetary crisis are not dne to be published until October 7. Until then the exact demands of the producing countries are being kept seeret.

Reports from the Middle East have indicated that the individual member countries of OPEC were *being left free to settle their own* level of demands.

In spite of an attempt to keep the more radical countries contained within an overall call for 20 per cent. participation, it was suggested, Libya was insisting on a 51 per cent. take-over of local companies, while the more moderate Gulf states preferred to seek a 20 per cent. *partieipation* through negotiations as a siogle body.

Sueb e move could well bring on another major crisis to the oil industry less than six months after a ronnd of new revenue settlemeots were made after several months of bard bargaining at Tripoli and Tehran earlier this year.

While many of the oil companies accept that a change in the traditional concessionary relationship between oil companies and bost countries is inevitable over the long-term, they have made it clear that they will strongly resist any demands which would break the spirit of this year's five-year agreements.

They are particularly concerned that eny drastic demands, with the threat of deadlines and imposed compensation terms, could lead to a new period of instability of supplies and a cycle of higher crude oil prices, despite those agreements.

Lihya's determination to follow a radical line, if it does develop into tough demands this year, could prove particularly ominous in this connection.

Although Algeria has experienced considerable problems in unilaterally taking over 51 per cent. of the French companies there, Lihye has considerably more bargaining power both in the qnantity of oil it exports *to Europe* and the *major casb* reserves it holds.

Any action to withhold those supplies from Europe would almost certainly precipitate another supply and freight erisis, despite the present surplus of crude *oil* and tanker capacity on the market.

A "cave-in" by the oil companies in face of drastic Libyan demands, on the other hand, could well make more moderate negotiations with the Gulf countries extremely difficult.

It is against this hackground that the major oll companies are now awaiting some positive indication of OPEC's intentions.

OPEC's 11 member states account for some 90 per cent. of total world exports.. Their decision to pursue the question of participation was made at a meeting in Vienna last July and was followed hy more detailed proposals agreed in Beirut this month.

The main impact of its new demands will be felt in the Gulf and in Libya. Venezuela, Algeria and Indonesia—all of whom bave already aebieved a considerable degree of State control of concessions—are less concerned in the participation question.

On the issua of the present monetary *crisis* (*which affects* oil revennes calculated on a dollar price of crude oil), OPEC is *reported to have decided to have* the governors of the central banks of the member countries meet to consider the altuation after the IMF meetings in Wasbington this week.

OPEC has already stated it *will seek* an increase in the price of erude oil commensurate with any effective devaluation of the dollar once a realignment of curreneies has become elear.

Continued from previous page

## Financial Diary

Raeburn Invst. Tst. deb. stks. 1¼, 2½ pc.
Ransom Hoffman Pollard. Pref. 3½ pc.
Ransomes and Rapler. deb. stk. 5 pc.
Reading Cpn.. 3½ pc Irrd. stk. 1¼ pc.
Rodiffusion. Pref. 2 pc.
Redland. deb. stks. 2¾, 3 pc.
Reed (Austin). Prefs.. 2½. 4 pc.
Reed International. deb. stk. 1¼ pc.
Reeves and Sons. Ln. stk. 3¼ pc.
Rickmansworth and Uxbridge Valley Water Prefs. 2. 2¾. 3¼. 3¼. Pref. £3.295. deb. stks. 2. 2¾. 3¼. 3¼.
River Mercantile Tst.. 3e.
St. Andrews Tst.. deb. stk. 2 pc.
St. Mary Abbots Invst. . deb. stk. 3 pc.
Scottish Eastern Invst. Tst.. deb. 2½ pc.
Second London Scottish . American Tst.. deb. 2 pc.
Second Scottish Invst. Tst. Pfd. 2½ pc. Pref. A 3¼ pc.
Sena Sugar Ests.. 3¼ pc.
Senmah Rubber. 4p.
Shakespeare (Jos.). Pref. 3½ pc.
Sheffield Brick. 5p.
Shell Transport and Trading. Pref. 2¾ pc.
Slough Ests.. 1.25p.
Smith (David S.) (Hldgs.). 2p.
Smith St. Aubyn and Co.. Pref. 2½. 3 pc.
South Staffordshire Waterworks A Ord. £3.50. B Ord. £3.50. C Ord. £3.50. 5 pc Ord. £2.50.
Sphere Invst. Pref. 2½ pc. deb. stks. 1½. 2. 2½ pc.
Star (Gt. Brit.) Hldgs.. deb. stk. 3¼ pc.
Sterling 7¼ pc (Red. 1977-79). 3⅝ pc.
Sterling Inds.. 0.8875p.
Sterling Tst.. deb. stks. 3. 3¼ pc.
Stewart and Wight. Pref. 3 pc.
Stirling C.C.. deb. stk. 3⅞ pc.
Stocks (Joseph). 2.5p.
Stotts Bros.. Pref. 2½ pc.
Stroud Riley. Pref. 3 pc.
Sunderland and South Shields Water 5pc Cons. Ord £2.50. 5 pc Ord. £2.50. Prefs. 2. 2½. 2¼. 3. 3¼. 5 pc.
Symonds Engineering. Pref. 3¾ pc.
Tan Sad Hldgs.. Pref. 3½ pc.
Tebbitt Bros.. Ln. stk. 3¼ pc.
Thames House Estate. deb. stk. 1¾ pc.
Thwaites (D.). Pref. 2½ pc.
Travancore Tea Hldgs.. Prefs. 3. 5 pc.
Trust Union. Pref. 2¼ pc.
Trustees Con.. deb. stks. 1½. 3¼ pc.
Tube Invst.. Ln. stk. 2⅞ pc.
Unilever N.V. Pref. 2 pc.
Unilever. deb. stks. 1⅞. 2. 3⅛ pc.
Union International. Pref. 3 pc.
Viners. Pref. 3 pc.
Wade Potteries. Pref. 3 pc.
Wallace and Weir. Pref. 3 pc.
Watney Mann. Pref. 2½ pc.
Webster (Samuel). deb. stk. 3 pc.
West Hampshire Water A Ord. (10 pc Max.) 50p. B Ord. (7 pc Max.) 35p. 5 pc Ord. £2.50.
West Riding County. 5¾ pc stk. 1975 2⅛ pc.
Whitbread and Co. Prefs. 2¾ pc.. Ln. stk. 2⅞. 3⅝ pc.
Wigan. 3pc 1½ pc.
Wiggins Teape. deb. stk. 1¾ pc.
Wilkinson's Transport Grp.. 3.75p.
Witan Invst.. deb. stk. 3¼ pc.
Wolsey. pref. 3¼ pc.
Zambia Industrial Mining Cpn. 6 pc Dlr. Bds. due 1978 $US2.74. 8pc Dlr. Bds. due 1978 $US5.34.





هكذا من الأصل


When an airline comes up from No. 14 to No. 6 in just six years, there must be some pretty good reasons.
Here's one.
We've grown very fast. And we're proud of it. But we take even greater pride in the reasons behind our success.
The most important, of course, is the service. And the person who's most important to the service is the hostess.
Here JAL is very fortunate. Japanese girls make very good airline hostesses.
They genuinely like looking after people. It gives them the kind of pleasure it gives you.
Which makes it delightful all round.
And that keeps Japan Air Lines growing – and proud of its success. Not because size is so important in itself.
But because growth is a measurement of how good our service is to you.
That's the important thing.
JAL
JAPAN AIR LINES
the worldwide airline of Japan.

**Financial Times Survey**

# Sea Freight to The Far East

## Container ships to take over

By JAMES McDONALD, Shipping Correspondent

With the launch last Mondsy in Hamburg of the first British container ship for the Far East trade, the Tokyo Bay, the first stage has heen achieved hy some Western shipowners towards the containerisation of the shipping trade between Europe and the Far East. By 1973 British, Continental and Japanese shipowners will have invested over £250m. in 17 of the world's biggest and fastest container ships operating hetween the Far East, the U.K. and North-West Europe. Each ship costs between £10m. and £12m. and another £50m. at least will have heen invested in shore-hased terminal facilities and inland transport.

It ia impossible to count the number of conventional cargo ships which will he replaced hy the container revolution. But on the basis of experience in the U.K.-Australia containerisation revolution it can he assumed that one container ship will replace three or four conventional cargo liners.

Japanese companies will be first in the field in the introduction of container ships in the Far East trade, with five—nnder the Mitsui, OSK and NYK flags—entering the service *in* the first half nf next year. Another five, provided by the British Overseas Containers (OCL) consortium, will start entering service from April or May next year snd snother three British ships—ordered hy the other British consortium, Ben Line and Ellerman Lines, the effective partners in the Far East of Associated Containera Transportation (ACT).

### Actual members

The involvement of ACT in the Far East comprises a company called Ben Line Containers (BLC) formed in March last year which ia a joint venture hy Ben Line and Ellerman Lines in conjunction with ACT. The company has orders for three 950-feet long container ships with West Germao *builders*, two for delivery in 1972 and the third in 1973. Services by Ben Line Containers will hegin hetween Japao and the U.K.-Continent from the middle of next year.

The Trio service — with integrated British, German and Japanese lines operating — is scheduled to begin services from Japan on New Year's Eve, 1971, with the first Japanese-owned ships sailing to and from Europe *through* the Panama Canal.

*By* about the middle of 1972 ships will start to call at Singapore and Hong Kong and eventually the service will also carry cargo to and from Taiwan and West Malaysia.

The final pattern is not settled hut it is *likely* to be "contra-rotating," with containerships sailing round the world in hoth directions, giving the best possible transit times in each direction involving both the Panama Canal and the round-Cape route. The transit times could he from Europe-Japan, 21 days; Europe-Singapore, 19 days; and Europe-Hong-Kong, 22 or 23 days.

The container ships on the Far East route will be among the largest and fastest in the world. Each will be able to carry over *2,000 20-feet* containers or their equivalents at a service speed of 26 knots. The Tokyo Bay, will enter service in March, 1972.

*The new OCL ships* for the Far East service will he called: the "Tokyo Bay," the "Liverpool Bay," "Kowloon Bay," "Cardigan Bay" and "Osaka Bay." Ben Line Contalners and the Japanese members of the "Trio" will offer similar ships.

*All* the members of the consortium of the Far East trade helieve that the containerisation—door-to-door concept—offers the hest answer to rising transport costs in an inflationary world.

*They are also deeply conscious*, and probably antagonistic to the view that sbipping should be treated as a cheap ntility service. They bave provided the modern tools, they belleve, of a cost-cutting service but expect a reasonable return for *the capital invested*. On present day terms no shipowners expecting to survive could accept less than between 15 and 20 per cent. return on the capital involved.

The OCL consortium was formed by the pooling of the *resources* of shipowners operating in the Fast East trade—Blue Funnel Line (Ocean Steam), Glen Line and the P & O group.

### Customer's door

The *service offered* by OCL, Ben Line Containers and the Japanese lines simply are door-to-door services. Goods can be loaded on one's premises as a single, easily identifiable container load and remain as such throughout the land and sea journey until they reach the final customer's door.

In the case of smaller amounts of cargo—which would not he of sufficient weight or cuhe to necessitate a whole container—the customer's goods are packed with other suitahle commodities at a U.K. or Far East containerbase. These are the two hasic ways of using the service.

Inland containerhases in the U.K. coostructed for the Europe-Australia trade will he used in the same way for the packing, unpacking and *consolidation* of less-than-container loads on the Far East route, says Overseas Containers. Operated hy the Containerbase Federation, these inland depots are situated at points close to major centres of industry, on sites easily available to Leeds, Liverpool, Birmingham, Glasgow and Manchester by rail or road.

At Barking, Essex, a containerbase is under construction and is expected to be partially operational by the time the Far East container ship service begins. Eventually, for the Far East container ship service, there *will be facilities* at the depot owned hy London East (ICD) at Chobbam Farm, Stratford.

The British shipping lines which have been operating the container service to Australia bave learned a number of lessons and they have applied these to the Far East trade. Both OCL and ACT admit that the Australian containerisation trade bas allowed the shipowners, importers and exporters, "to gain experience in the use of containers and *associated handling equipment*, and stowage and packing techniques."

Among containerised commodities successfully carried so far have been canned goods, timher, ruhher, tea, diesel engines, motor cycles and television sets.

Each container ship in the Far East trade will have insulated capacity, able to carry frozen fish aod confectionery.

Ships operating in the trade will call at Southampton, Rotterdam, Hamburg and, possibly, Bremerhaven. *The Southampton* terminal is on land leased from the British Transport Docks Board, and is being constructed specially for this trade. The company operating the terminal—Solent Container Services (the shareholders of which are OCL aod Ben Line Containers) has been formed to take responsibility for all operations in the 56-acre Southampton site.

Earlier this month, *Mr. M. F.* Strachan, chairman of Ben Line Containers and of ACT, commented upon criticisms of the container concept. "Some of the published results of container services appearing in recent *months* have made depressing reading. Many of the reported losses in other trades have been in respect of development costs. They have not all been *trading losses. And there* are several good reasons why we in Ben Line Containers are nevertheless inclined to view the future of the Europe-Far East trade with *cautious* optimism.

"The underlying soundness of the concept of containerisation—replacing a labour-intensive operation by a capital-intensive one—was irrefutable," said Mr. Strachan.

"*In this* connection the Shipping Committee of the United Nations Conference on Trade and *Development* has recently published a paper on the relative economies of conventional and container operations.

### Freely accepted

"UNCTAD has not heen noticeahly hackward in urging developing nations to invest in *their own conventional fleets*, so one might expect some hias in favour of conventional ships. Far from it. In their paper, UNCTAD produce some *startling figures to demonstrate that* containerisation is economically greatly superior to conventional shipping operations."

No consortium in the Far East containerisation programme seems willing to share profits on a live-and-let-live attitude. Competition on the routes appears to have been accepted freely by the *companies involved*.

There *must be some* scepticism about the advantage of *competition* when shipping lines in the same trade charge the same rates. But within the conference system the individual lines try to compete in terms of improved service.

Mr. Strachan, perhaps, sets the scene with his comment: "We work hard to do things *rather more* quickly and rather more cheaply than our competitors. We believe in competition and have determinedly insisted, for the good of the container operators themselves, *as well* as for the good of our customers, that the competitive element must not disappear with the advent of containerisation.

"*This does* not prevent us from having a close and cordial working relationship with our British counterparts in OCL and with our Japanese and German colleagues."

## Trade is likely to prosper

By DAVID CURRY

By 1973 some 17 custom-built container ships will link Europe with the Far East with departures every four days. The question is not so much "why containerise" as "why so long to containerise."

At a first glance the trade is ideal for containerisation. The chairman of Overseas Containers described it as "like baving Birmingham at hoth ends," and a glance at the items which form the bulk of Anglo-Japanese trade shows what he meant.

Britain enjoya a slight surplus on the trade. She exports manufactured goods worth £59m. (1970 figures) and takes £52m. of the same sort of product in exchange. Her machinery sales — including transport equipment—amounted in 1970 to £42m., just £5m. more than her imports of the same category of goods from Japan. In chemicals, Britain enjoyed a £7m. surplus with sales worth £23m. The chief products which do not enjoy a two-way trade are fish, which Japan sends to the U.K. to the tune of £17m. in 1970, and beverages, with Scotch leading the field, which were worth about £4.3m. to British exporters in 1970 and are climhing following the relaxation of quotas as part of the liberalisation measures which were introduced at the beginning of this year.

### Heavy investmnt

Partly the delay has heen due to the heavy investment needed in new ships to run container services. Partly it has been attendant upon ironing out snags in the Australia container run. The two chief reasons have heen the lack of terminal facilities in the Far East, and the Japanese slowness to take the plunge into containerlsation. While the costs of handling cargoes in Japanese ports remained relatively low, there was no urgent demand for containers. What finally seems to have spurred the Japanese along the road to containers is the escalation of costs on the American West Coast as longshoremen's wages climbed, and the demands of the American market wanting a "through service" to the Middle-West.

Ironically, it now seems certain that the Japanese will be the first on the container run to Europe under the tri-nation consortium—TRIO—which will handle the bulk of the Far East trade.

TRIO comprises five concerns: the two British groups Overseas Containers and Ben Line Containers (part of the Associated Container Transportation concern; the German Hapag Lloyd group and NYK and Mitsui-OSK of Japan.

Although the companies will compete for buyers, they will pool ships and terminal facilities.

The service will link Southampton, Rotterdam, Hamburg and/or Bremerhaven with Tokyo.

Continued on next page

# Southampton to have container terminal

By RAY DAFTER

Southampton's importance as a major British passenger ocean terminal is well documented. Newsreel archives have a large selection of those films showing majestic liners arriving or leaving, their passengers—whether the rich, the famnus, the holidaymakers or the immigrant—waving entbuaiastically to the crowds of well-wishers.

Such ships, like the Queen Elizabeth 2, still call regularly at Southampton. But as the emphasis of travel is swinging from sea to air, so the port of Southampton is turning its attention increasingly to cargo traffic, and to containerised traffic in particular.

Its deep water and tidal advantages, along with an ideal geographical location, which were the main attractions for the large passenger liners, have similarly been used to attract container operators with their huge specially built cellular ahips. This is particularly pertioent in the case of the Far East cootainer service which is due to start from Southampton in the New Year. Few British ports as they stand with their locking systems could cater for the size of ships to be introduced by the Far East lines.

Southampton is already established as a major U.K. container port although—like containerisation itself—its history is comparatively short in this respect. Its first operations started about three years ago with a 1,000 feet common user quay built as a speculative venture for some £3.5m.

In some ways the port was embarrassed by success; there were times when it could not cope adequately with the amount of trade it was attracting. It became a major U.K. terminal for the North Atlantic container trade, a trade which has resisted concentrating on a single port.

There came a time last year when one berth was turning round seven vessels a week, including small feeder ships. During 1970 the volume of container trade quadrupled compared with 1969.

The early experiences of frustration and congestion seem largely to have been overcome, partly with the introduction of large ships resulting in fewer sailings, and partly with hetter dockside facilities. The British Transport Docks Board, which controls the port, has alsn appointed a specialist container terminal manager as well as carrying out a thorough review of operational methods.

## No doubt

There is no doubt that Southampton would have dearly loved to have attracted the Australian container trade. (With the early prolonged industrial dispute at Tilbury, London, there must have been times when the lines wished they had chosen Southampton as well, although it should be added that Tilbury has since earned itself a considerable reputation for container handling.) But Southampton's real chance to show what it can do with a major trade has come in the form of the Far East service.

The BTDB, with the help of a 20 per ceot. port modernisation grant from the Government, is spending some £14m. on four berths at the Southampton Container Terminal, two of which will he used exclusively for the Far East service. The berths, nearing completion, have been constructed on laod reclaimed from the River Test.

When the Docks Board announced details of the development some 15 months agn Mr. Donald Stringer, port director, said it had heen estimated that some 2m. tnns of traffic would pass through Southampton annually on the Far East service. While the port has been handling about 1,000 cootainers a week it is expected that by the end of 1973 the frequency will be more like 1,000 a day.

Such a movement nf traffic not nnly creates demands on berth facilities but also on inland distribution. In May this year it was announced that over £300,000 was being spent on a new dual-carriageway road bridge over the main London-Bournemouth railway line, providing a completely new access route for road traffic to the container berths.

By using this new route heavy road vehicles will be able to avoid Southampton's city centre completely. As Mr. Stringer pointed out, the bridge would bring important benefits to both port users and to the people of Southampton. "While I feel that the people of Southampton welcome, by and large, the tremendous development taking place in their port, they have naturally felt concerned that the economic advantages should not be outweighed by environmental disadvantages," he commented.

Mr. Stringer pointed out that the port's easy accessibility to shipping had been a vital factor in attracting new business. Nevertheless, if the port was to deal with the business completely successfully, road and rail links with the rest of the country must he equal to the task.

It must be said that access to ports, including that of Southampton, seems to have been a blind spot with motorway planners in the past. The road system has not been up to the demaods of the traffic generated by such terminals. However, the recent Government announcement about motorway proposals seems to be coming to grips with this problem.

A large proportion of the Far East traffic will he distrihuted by rail and the emergence of this container service has initiated some interesting contracts.

Contracts believed to be worth between £20m. and £30m. were signed in London in late June covering the transport by rail of well over 100,000 containers a year for the next 10 years. They provide for the running of six container trains each way every week-day exclusively for the Far East service.

## Capital spending

Signatories to the contract—signed in the presence of Mr. John Peyton, Minister of Transport Industries—were Overseas Containers and Associated Container Transportation (the two British consortia involved in the Far East service), Freightliners, British Rail and the BTDB.

An associated contract was also signed by Freightliners and British Rail for the provision of the trains for the service and later a good deal of interest was generated by British Rail's announcement that it would lease the wagons rather than buy them in an attempt to cut down capital spending.

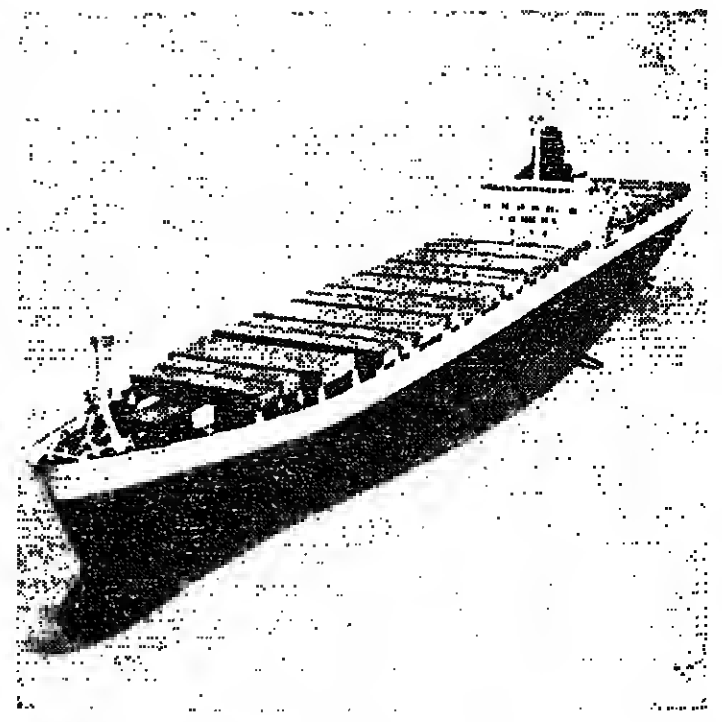
To cater for this big rail movement of Far East containers new Freightliner terminals are being provided: ooe in Southampton next to the Far East berth: the other in Barking, London.

A new hig rationalised service like that of the Far East obviously presents planning problems: estimating how much equipment will be needed and where; the size and pattern of inland distribution.

The BTDB helped the lines through a special research project. More than 5,000 questionnaires were sent out by the Board to shippers, importers and other relevant interests with the aim of producing reliable information about traffic potential. A Board spokesmao said it was believed to be the first occasion that a U.K. port authority had provided detailed market research for a customer as part of its after sales service.

The development of container facilities at Southampton does not end with the Far East Service. The port has already submitted a £10m. quay development plan to the Government. Although no official announcement was ever made it is widely felt that part of this development was intended for the New Zealand container service which has now been shelved.

It will probably be several years before another major trade, like North Atlantic, Australia-Europe aod Far East-Europe, is containerised. Southampton must be content that it has snatched the last of that big trio but it caooot afford to be complacent. For if Southampton fails to provide the required service theo it is a fair bet that another port will put in a bid to handle the lucrative trade.



A model of a typcial container ship that will be operating on the Far East routes.

# Trade—(Cont'd.)

Continued from previous page

and Kobe in Japan (early in 1972); Hong Knng (mid-1972); Singapore (mid-1972); South Korea and Taiwan (feeder services probably starting in mid-1972); west Malaysia (early 1973); and the Philippines (no date fixed).

The route will differ from the Australia run in three ways. It will be more fully containerised than the Australia trade, of which about 80 per cent. goes in containers; it will probably have a greater volume of less-than-container-load traffic, generating additional business for freight forwarders providing consolidated services; and it will have little use for refrigerated containers, which are used largely on the Australia run with its shipments of meat.

TRIO has never claimed that containerisation will prevent freight costs rising, still less cut them. What it does claim is that it will flatten the rising curve of costs. Ancillary benefits are expected to be economies gained through more efficient packing, and the cutting down of losses through pilferage and damage.

Associated Contaioer Transportation claims that shipping British goods to Australia by container rather than by conventional methods has slashed claims against it by 86 per ceot., and calculates that claims on goods in the opposite direction have been cut by 92 per cent. These figures relate to claims received by ACT under its own bills of lading, and do not include claims submitted by shippers under their own marine insurance arrangements, though there is little reason to doubt that these, too, will have dropped by a substantial percentage.

In addition to the trade with Europe, there is also a substantial trade between individual Far East countries. Malaysia and Singapore are developing their nwn lines within the Far East Conference with Japanese backing and British assistance.

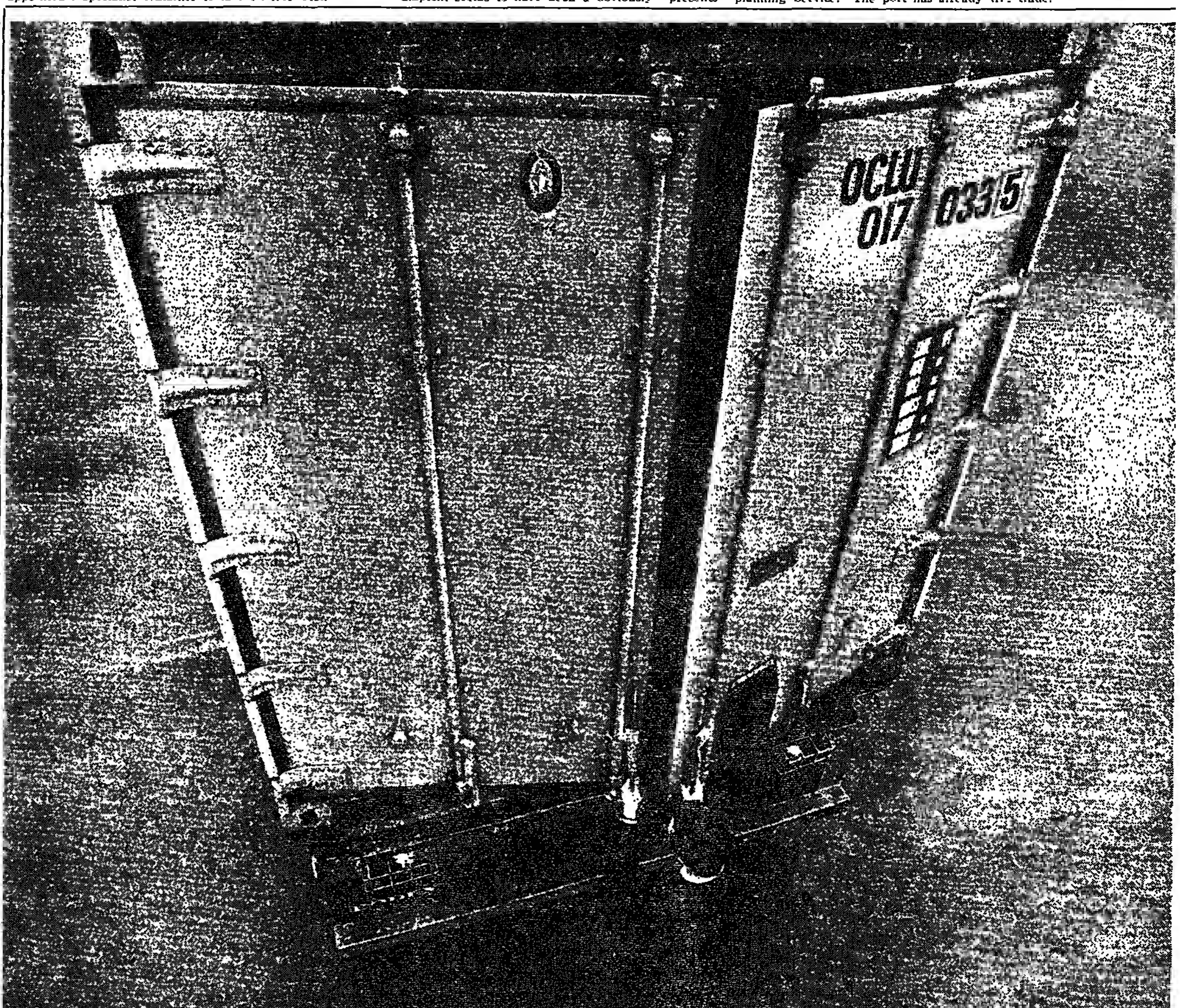
The trade seems likely to prosper. Wage levels in the Far East are still low enough to make it an attractive proposition for European companies to carry on manufacturing activities there (as, for example, some British publishers do). The Japanese market will also expand. Its liberalisation seems certain to continue, despite a Japaoese tendency to invent niggling restrictions to hamper trade while political or bureaucratic decisions are taken. The Japanese yen seems likely ultimately to settle at a level which will mean an effective revaluation against European currencies, while the Japanese export offensive against Europe is still relatively young. Japanese penetration of other Far Eastern markets, particularly the rubber-producing belt centred on Singapore, is likely to make even faster strides.

It could well be that there will be not only a Birmingham at both eods, but several West Bromwiches strung along the middle.

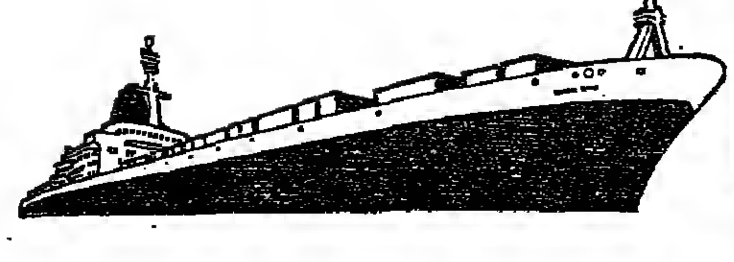
## .K. TRADE WITH THE FAR EAST IN 1970

| lain elements in .K. exporta | | U.K. trading partner | Main categories of goods sent to U.K. | |
|---|---|---|---|---|
| | U.K. | JAPAN | | |
| anufactures | £59m. | | Manufactures | £52m. |
| achinery | £42m. | £148m. → | Machinery | £37m. |
| hemicals | £23m. | | Chemicals | £16m. |
| rink | £4m. | ← £134m. | Fish | £17m. |
| | U.K. | HONG KONG | | |
| anuf. | £33m. | | Clothing | £49m. |
| ach'nery | £36m. | £99.5m. → | Manuf. | £23m. |
| hemicals | £8.6m. | | Textiles | £20m. |
| | | ← £123m. | Footwear | £10m. |
| | U.K. | SINGAPORE | | |
| achinery | £32m. | | Rubber | £9.3m. |
| anuf. | £11m. | £62m. → | Veg. oils and fats | £8.5m. |
| hemicals | £7m. | ← £33.5m. | Wood | £3m. |
| | U.K. | MALAYSIA | | |
| achinery | £33m. | | Rubber | £17m. |
| anuf. | £10m. | £60m. → | Wood | £6.5m. |
| hemicala | £6.8m. | ← £46.5m. | Veg. oils and fats | £8m. |
| | | | Manuf. | £5.7m. |
| | U.K. | PHILIPPINES | | |
| achinery | £16m. | | Crude | |
| iemicals | £3.3m. | £25m. → | materials | £3.4m. |
| | | ← £7.4m. | Fruit and veg. | £1.3m. |
| | U.K. | TAIWAN | | |
| | | £6.6m. → | Manuf. | £2.9m. |
| achinery | £4m. | ← £5.8m. | Food | £1.1m. |

ll figures are based on the Overseas Trade Statistics of the .K. December 1970, HMSO.







# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## ● AUTOMATION

### Handling whisky galore

AUTOMATIC barrel handling equipment capable of maintaining a continuous flow between storage bays and lorries has been installed at the warehouse of Chivas Brothers at Dalmuir, near Glasgow.

Based largely on mechanical handling equipment manufactured by Gough Econ of Clough Street, Hanley, Stoke-on-Trent, Staffs., the system was designed by Cowan and Linn, the Glasgow firm of consulting engineers, while detailed design was carried out by the principal contractor, Production Methods of Barrhead, Glasgow, in conjunction with Gough.

Capacity of the system is about 800 barrels per day, with sizes ranging from 40 to 120 gallons and weighing up to 13 cwt. At maximum operating speed, throughput is about 200 barrels per hour.

Incoming barrels of spirit are off-loaded from the vehicles by a rail-mounted unit and lowered on to an indexing floor conveyor. Movement of the conveyor is controlled by a barrel-actuated limit switch fitted to a buffer so that it is not operated until the barrel has stopped rocking.

The conveyor takes the spirit through into the bond area where the containers are located in any one of fifteen storage lanes by a rail-mounted, mobile push-off unit. Up to 750 barrels can be stored in this buffer area. An interlock between the offloading station and the loading end of the conveyor prevents barrels being put on the conveyor until the offloading position is clear.

Another conveyor system takes the barrels from store when they are wanted for blending. This handling unit is designed so that the barrels are aligned with the bungs upwards. After automatic sampling, the barrels are emptied by a suction system. If the spirit quality is unsatisfactory, the bung is automatically replaced before the cask goes to the suction station.

Empty containers are again transported by a conveyor which incorporates a load sensor that ensures that any full barrels are automatically removed from the line.

Empty barrels are automatically sprayed to mask old identification numbers, and transported by chain conveyors to the automatic filling section. They are then taken to the loading bay for transport to the warehouses, which again have handling equipment allowing only three men to stow up to 600 barrels per day.

### Iron-making process on-line

BLAST furnace control in a South African steelmaking plant is to be provided through a system built by the Automation Systems Division of Ferranti in an order worth over £120,000 placed by Ashmore Benson Pease and Co.

The system will go in at the ISCOR blast furnace plant at Vanderbijl Park, near Johannesburg. It is the second steel industry order won by Ferranti recently, following on from the system worth more than £350,000 which is to be installed for the same company at the British Steel Corporation's Anchor plant at Scunthorpe.

The ISCOR project will have an Argus computer with 24,576 words of 2-microsecond core store and a disc backing store. Initially, it will perform straightforward data logging and alarm monitoring on the 10.1-metre hearth diameter blast furnace now under construction. It will handle 80 analogue and 1,900 digital inputs. Of these, 240 digital inputs are provided to interface to raw material weighing equipment thus enabling the Argus to maintain a "running total" of errors between desired weight and actual weight, and to take automatic compensatory action where necessary.

Monitoring of the burden program to ensure that raw materials are added to the furnace in the correct sequence, control and adjustment of coke moisture content, logging of events such as changes in set points and tap starts will be other tasks.

It is intended later to expand the Argus computer system to undertake full dynamic control in the first blast furnace—a significant step in this industry—and to carry out logging tasks on two other furnaces.

### Monitor for ship's engines

EQUIPMENT for monitoring important engine parameters and automatically shutting down equipment in the event of malfunction has been installed in HMNZ Canterbury, due to be commissioned next month.

Developed and manufactured by Teddington Autocontrols of Sunbury-on-Thames, Middlesex, the system monitors lubricating oil pressure coolant temperature, fuel oil pressure and generator temperature. Operating limits can be set on each of these, and if they are exceeded, audible and visual alarms are given, and the engines automatically shut down to avoid damage.

Similar equipment is already being fitted to ships of the Royal Navy and of the Chilean and Argentinian navies.

## ● CONTROL

### Watches the speed of rotation

FOR the monitoring and control of rotary, and reciprocating movements in mechanical handling or process plant, Parametric, Canal Street, Runcorn, Cheshire, has produced a remote rotation monitor which has many applications in industries where conveyors, mixers, continuous processing and automated mechanical handling are employed.

The rotation monitor has a reed switch assembly and a magnet, both encapsulated in epoxy resin, and a steel, wall-mounted control box—the whole system employing no mechanical parts—and it is completely impervious to process atmosphere or corrosion deterioration.

With a range of 0.1-3,000 r.p.m., this system will immediately detect a change in rotary or linear movement. A slowing down or stopping of a normally continuously rotating system will cause a relay to trip, whether the reed switch is in the operated or non-operated condition, and the small control panel can be positioned any distance from the sensing head unit.

Installation is simple, the magnet, which is supplied with a fixing stud, is screwed into the shaft to be monitored. The static reed switch unit is positioned adjacent to the magnet, and the control box wherever required. This unit can easily be built into existing process control systems, and is designed to operate a sequence "shut down" function where automated mechanical systems demand such safeguards. An over-ride timing device can be incorporated if required, to ensure that rotation reaches the correct running speed on start-up before control becomes operative.

## ● PRODUCTS

### Copies without carbons

A FIRST serious challenge to the dominating position in the carbonless business paper market so far held by NCR has been thrown down in the U.K. by a company called Nashua, whose parent corporation of the same name is located in Nashua, New Hampshire, U.S.

The organisation has signed an agreement with Reed Paper and Board (U.K.) under which the latter takes the know-how and technical assistance for the production of the Nashua Carbonless paper at the Aylesford mill in Kent.

The U.K. end of the operation, which has its office at 12, Greycoat Place, London, S.W.1, says this paper stems from six years of research and development in the U.S.

It describes the outcome as "the only new chemically mated carbonless paper which is not an exact copy of other systems."

Apparently complex, the system is in reality quite simple. The coated-back sheets are intended to take the initial impression from a typewriter key or other "writing" device. Using a coated front-and-back sheet with a coated-front sheet a single copy can be made, but up to nine can be obtained with good results if the double coated sheets are interleaved in the required numbers.

The impression is produced when the dye which is contained in a lattice system, is released through pressure (from the blow of a print key) and mixes with the reactive clay on the sheet facing the lattice.

The paper is available in white, blue, yellow, green and pink and can be printed litho, letterpress and "crash."

Nashua estimates the market in Britain for these one-time writing papers at about £7½m. with a growth rate of between 15 and 20 per cent.

Arrangements have been made to market through Howard Smith Papers and Inveresk Paper Merchants and the company hopes to capture some 20 per cent. of the market by 1975 which implies a £3m. turnover by then.

### Hatch is one way only

HATCHES for use where it is necessary to pass components from one room to another without loss of pressure in either are now being manufactured by Air Movement, of Dover Road, Northfleet, Kent.

They are made from high-density flax fibreboard faced on all surfaces with decorative melamine laminate and equipped with a set of doors at front and rear. The doors are controlled by either a mechanical or manually operated system allowing only one set of doors to be opened at any one time. Dimensions of the hatches are 1803 x 762 x 762 mm.

### Air control in metric

SPECIFICATIONS in metric units to the SI system have been strictly adhered to in the design of air conditioning equipment in the Metricaire range from the Multivent Company of Blackhorse Lane, Walthamstow, London.

Ten basic sizes in modular construction are available filling the gap between 0.15 cubic metres per second and 8 cms (300 to 16,000 cfm) at pressures up to 1,500 Newtons per square metre.

The designs cover both air handling equipment and low silhouette air cooled refrigeration condensing units for cases in which no chilled water is available.

### Temperature cabinet on bench top

INTENDED for testing small items over the temperature range −70 to +150 deg. C, a one cubic foot test cabinet called the HC 30 is now being offered by Climaire Air Conditioning, of Lancaster Park, Richmond, Surrey. Designed for bench-top mounting, it is controllable to ±1 deg. C throughout the range.

There are two types, one using cascade mechanical refrigeration with R13 and R502 refrigerants, the other a liquid carbon dioxide system. Heat is provided by a wire grid 750-watt element mounted behind a false baffle on the chamber wall. A 100 cfm fan minimises gradients in the cabinet.

The interior is a light gauge satin stainless steel all-welded construction and insulation is three-inch-thick high-density glass fibre, vapour sealed against moisture ingress.

In the standard HC 30 a non-indicating potentiometric controller working in conjunction with fast response resistance elements is fitted. An over-temperature cut-out system is also fitted as standard. As an optional extra the company states it will design and manufacture test program cycling instrumentation for the HC 30.

## ● ELECTRONICS

### Miniature cartridge rectifier

OFFERING high voltage to size ratio, a series of miniature high voltage cartridge rectifiers has been introduced by International Rectifier Company, Hurst Green, Oxted, Surrey.

Called the 5AV series, it covers a voltage range of 2 to 6.5 kV and is rated at 50 mA at 25 degrees C. within a package size of 10 mm. body length and 5 mm. diameter. The voltage range is continued above 6 kV to 13 kV in a larger package size of body length 40 mm. and diameter 8 mm.; this series is designated 4BV and is rated at 40 mA at 25 degrees C.

Both series are capable of operating up to 20 kHz into a resistive inductive load.

### Transistors can handle 117 watts

RECENT additions to the Mullard range of "2N" power transistors include types 2N3442 and 2N4347. They are high voltage versions of the 2N3055 and are suitable for use in high class audio amplifiers, convertors, voltage regulators and power supplies.

The 2N3442 has a current rating of 15A and a power rating of 117 W. With a collector-emitter voltage of 80 it will conduct a direct current of 1.4A.

The 2N4347 has a current rating of 10A and a power rating of 100W. With a collector-emitter voltage of 70 it will also pass a direct current of 1.5A. Both devices have TO-3 type encapsulations.

## ● METALWORKING

### Cheaper control tapes

CO-OPERATION between Wadkin of Leicester and Time Sharing has resulted in a programming system for machine tool control tapes that can greatly reduce the final cost to customers.

Basically the system, known as WARPATH, has been developed for use with the Wadkin three-axis machining centre for the heavy engineering industry, but it can be applied to machine tool control at all levels.

It is intended that the user of a machine tool be linked by a simple keyboard terminal to the Time Sharing PDP 10 machines, and will be able to type in job specification and have back in a matter of minutes a tape ready for using on the machine. The language to be used is Telcut, claimed to be simple enough to be used by engineers and other non-specialists in the data processing field.

According to the two companies, costs of tape preparation can be cut to between 50 and 33 per cent. of those prevailing with other systems. An example of this quoted by Wadkin is in the production of control tapes for a gearbox. Using manual methods this took eight days of preparation, understandable in normal terms since 36 tools were involved in the machining.

Using WARPATH (standing for Wadkin Automatic Remote Processor Actuated via Terminals) this was reduced to ten hours of planning and data preparation followed by 50 minutes of terminal time. Finally, the complete control tape, containing 850 blocks, worked out at 1.37p per block.

One of the economical features of the system is that the input relating to geometrical shape and feed and machine speeds is processed as it is received. When the tape is being run back to the terminal, any error that has been detected is signalled, so that the user can correct without having to scrap the valid parts of the tape.

Telcut is said to give a reduction of as much as 60 per cent. in the words needed to describe a job, cutting down transmission time while also reducing the risk of error. It is also claimed that the system is economical to use for machining tasks of a comparatively simple nature using as few as 40 blocks of instruction.

### Conduction controls levels

CLAIMING marked advantages in accuracy, reliability and cost for most applications, Electrical Remote Control of Bush Fair, Harlow, Essex, has introduced the Fluidex range of liquid level controllers based on the principle of liquid conductivity. The system consequently has no moving parts or float switches.

The control unit is housed in a 5 x 8 cm internationally standard 11 pin plug-in module with sensitivity controlled from the top. Two or three probes can be used.

The circuitry is simple and all solid state with particular emphasis placed on the protection of the units against line transients and fluctuations. It incorporates suppression components to prevent false tripping of the output.

## ● TRANSPORT

### Trailer for many loads

PICKFORD, the haulage company, has just taken delivery of a large-capacity trailer, manufactured by King Trucks of Market Harborough, Leicestershire, which can change its configuration to suit different weights or sizes of load.

In fact, the loader is made in two parts, with a total capacity of 285 tons. Overall length of the loader when the halves are joined end to end is 60 ft, although for very long loads they can be used with a platform or, if the load is rigid enough, it can act as the bridging girder when attached to pallets mounted on the decks.

In addition, the units can be used side by side to give a width of 20 ft, useful when moving very large equipment within the confines of a factory or on a power station. They can also be used independently, alone or with a platform.

Each half of the unit has 48 wheels, mounted on 12 axles arranged six per side. All the wheels are steered by the draw-bar, giving accurate tracking under all conditions.

Each set of wheels has a trailing link suspension with hydraulic displacement suspension unit. A power source supplies the pressure to the and enables the vehicle to raised or lowered through a total distance of about 22 inches. Each of the suspension units can operated in isolation from the others, or in any combination allowing the platform to be tilted fore and aft or transversely.

One benefit of the system that wheels can be changed quickly and easily without jack. The suspension is lowered and then the affected axle is retained in this position by inserting a locking pin. When the suspension is raised, this axle then comes clear of the ground.

More than 400 lubrication points on the chassis are served by a Tecalemit automatic lubrication system. This, according to Mr. Malcolm Taylor, manager of King, ensures down time for maintenance considerably reduced, an important feature on equipment of this type.

## ● CONSTRUCTION

### Panels for cladding

FOLLOWING an agreement reached with Gränges Essem (U.K.), a new range of insulated aluminium panels designed for cladding the roofs and walls of domestic, industrial and farm buildings is available from RZ Aluminium Fabrications, of Princes Dock Side, Hull.

The panels consist of colour-coated profiled aluminium sheets bonded to a variety of lightweight insulating linings (for example expanded polystyrene, or polyurethane). The two companies have jointly designed a new semi-automatic bonding line to manufacture the composite panels.

Panels are made to order from three standard types of lining and three standard aluminium profiles. A hot-spray neoprene adhesive is used, and after initial impact the composite sheet is rolled under pressure between profiled and flat rollers to ensure complete adhesion.

## ● SECURITY

### Foiling the vandals in launderettes

THE INANITIES of vandalism in telephone booths seem to have extended to coin-operated launderettes. A piece of equipment has just been put on the market that is claimed to be virtually vandal-proof since it is a totally enclosed machine with no external screws. The unit is a 16-inch extractor marketed by Thomas Broadbent and Sons of Huddersfield, Yorkshire.

Safety is also claimed to be an important feature of the equipment: it is impossible to open the outer cover while the basket is revolving, and there are other safety features, all fail-safe. The machine has completely automatic operation.

# Building and Civil Engineering

## Laing's £3½m. job

A SHOPPING centre for Sutton Coldfield, Warwickshire, is being built by John Laing Construction under a £3½m. contract awarded by the United Kingdom Temperance and General Provident Institution. Completion is expected by June, 1974.

Tha scheme will include 77 shops and buildings for two supermarkets and major multiple stores. There will also be 10,000 square feet of office space provided on two floors and a multi-storey car park to take up to 1,000 vehicles.

Covering nearly eight acres, the shopping centre will be constructed between Snttoo Park and The Parade, where the old shops have been demolished to make way far the new development. A large number of tha shops—all at ground-floor level with upper floors—will front on to The Parade, where malls will give access to other shops contained in the Inner part of tha traffic-free sbopping centre. Here there will be three courts with trees and flower beds.

Delivery vehicles will have access to air-conditioned basement loading baya hy an underground service road. This will have underfloor heating, In common with tha car park ramps, to prevent skidding during icy weather.

The architects are Harry W. Weedon and Partners of Birmingham.

## Projects in Nice and Congo

CONTRACTS are now being prepared for an £8¾m. project in Nice designed by Mottram Consultants and M Plan Co-ordinators.

Tha scheme involves diversion of a river and a three-level underground car park over which there will be an exhibition hall and again, above the latter, a 400-bedroom hotel.

Another big project for which Mottram Consultants and M Plan Co-ordinators have been appointed to handle is the design, construction and equipment for a hotel and a 33,000 square feet store for the Republique Democratique du Congo. This scheme is valued at about $19m.

In the U.K. the two firms have just signed contracts covering construction of 13 warehouses in Poplar, London, for Clarebrook Properties. This project will cost about £350,000.

## Car parks may be resited

MULTI-LEVEL car parks which can be dismantled after a few years' use and be re-built on a fresh site at much less than the original cost is an idea which could have some appeal to towns and cities which expect extensive redevelopment schemes within their boundaries.

This is the thought behind a system being promoted by a consortium—White-Yonng and Partners, Petar White Associates, Robert Watsoo and Co. (Constructiunal Engineers) and Dow Mac Concrete—which has nearly completed such a car park with six floor levels at Gartside Street in the centre of Manchester.

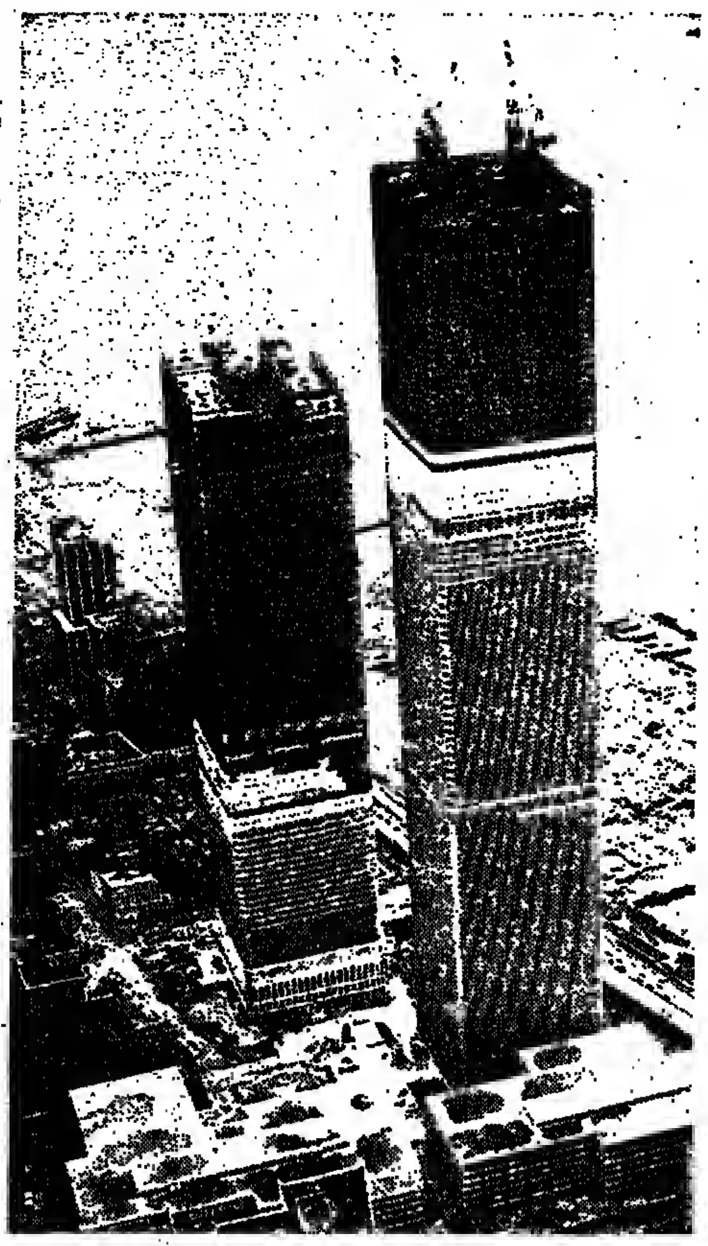
When completed, at a cost of abeut £300,000, it will accommodate 650 vebicles. Ahout 70 per cent. of the parking space is expected to be ready for use hy the end of November. Re-erection of the car park on another site would be about 20 per cent. of the original cost.

The consortium has just quoted for a similar, but smaller car park for Birkenhead.

## Enlarging a sewage works

EXTENSION of the sewage works at Runcorn, Lancs., is to he carried out by G. Dew and Co. The contract, awarded by the New Town Development Corporation and worth about £¼m. is expected to be completed in two years. Work starts soon, says the company.

A second contract awarded to Dew is for a 1,600-seat stand for Oldham Athletic Football Club. This is worth £70,000.



AWARDED the mention "Ontslanding Civil Engineering Achievement for 1971" by tbe American Society of Civil Engineers, the twin towers of the Port of New York Anthority'a World Trade Centre soar 1,350 feet ioto the Manhattan skyline. Providing vast modern facilities for tbe handling of U.S. international trade, this enormous office complex should be completed in 1973 though tenants began to move in nearly a year ago.

First steel for the north tower was placed in August 1968; work on the south tower began six months later. Four low-rise buildings go to complete the complex which will have cost $650m. by the time it is finished.

Problems of heating, ventilating, cooling aod supplyiog other services to the "vertical town" are formidable and are to be tackled by computer control. More than 200 air-handling systems will be pumping 1m. cubic feet of conditioned air through the building every minute and the specification is that from a central console, the control engineer will be able to operate any one of these systems at a touch of a button, depending on information gathered on external conditions from four points at different altitudes, bnt also summated data from 6,500 sensors watching over important variables.

The whole system is bnilt around some £3m. worth of equipment from Honeywell which will have a data centre installation in the fourth basement of the complex.

## Brilliant light for a port

PROBABLY the fastest growing container port in the U.K., Falixstowe, is currently involved in a major expansion of its facilities, developing oew tracts of land for extensions to tbe container terminal area, roll-oo and roll-off terminals, warebouses and transit sheds.

One of the most important considerations for all-night working throughout the week—where tbe automatic cranes are often operating at turn-round speeds of over 30 containers per hour—is to ensure that first-class illumination of the entire area is provided.

Towermaster Steelwork of Braintree, is in process of setting up 14 towers, each 92 feet higb. Each tower will be fitted with 34 Benjamin Focaset standard floodlights.

## £1½m. homes scheme

THE Sutton Dwellings Trust has signed a £1½m. two-year phased handover contract witb Selleck Nicholls Williama (ECC) a member of tbe English China Clays group, for tbe erection of 344 low rise dwellings on a 19-acre site at Glascote, Tamworth. The site will be designed for occupation hy disahled persons.

The scbeme has been designed by T. P. Benoett and Son and tbe contractor will be Sir Alfred McAlpine and Son.

## Factory in N. Ireland

THE Ministry of Commerce for Northern Ireland has awarded Gilbert Ash (Bovis Group) a £416,000 contract for a factory at Monkstown

It will be a 250-foot-long single-storey production block with a two-storey office block at one end and a single-storey caoteen and kitchen block at the other. Architects are Samuel Stevenson and Soos of Belfast.

● SHEPHERD Construction has started work on ao office block at Cliftonville, Northampton, for the Northampton Development Corporatioo. A two-storey office building is called for witb a floor area of 71,056 square feet, having reinforced concrete column foundations aod grouod slab and a precast concrete frame. Attached will be a single-storey restauraot and a two-storey services building. Cost of the project is £866,000.

## Plastics forge ahead

APPLICATIONS of plastics to building problems are multiplying and tbe latest announcement to coma from a major manufacturer was beld for tha current Ioterplas in Dusseldorf wbere BASF unveiled a building system conceived by the Berlio arcbitects' team of Schueler and Witte.

Prime consideration was that the system must lend itself easily to mass production and result in economical structures. It must also involve the use of a larga amount of plastics and be relatively easy to modify even after the building had been installed for some time.

Outcome of the study hy the arcbitects was a system in wbicb the supporting structure—suitable for any beight of huilding—is made up from prefabricated steel and concrete units. Walling is carried out with light and easily installed plastic sandwicb units which can be arranged to executa any design thougb there are only a few basic forma.

It follows that liviog accommodation, for instance, can be quickly adapted to meet cbanges In requirements or taste. The system is suitable also for hospitals, botels, scbools and so on.

The outer skin is a vinyl material while tbe core can be a cellular version of styrena, polyethylene or polyurethane.

Meanwhile, in November, Celanese Building Components will be displaying new waste systems made of copper-coloured polypropylene materials at the International Building Exhibition, Olympia.

Two sizes—1¼ and 1½ incb diameter—will he added to tbe Series Teo range and botb will be of push-fit desigo. Tbis does not mean tbat the existing systems with nut and cone joints will be superseded.

Simplicity of assembly with these new systems means a great speed-up in plumbing lina assembly.

## Speedy digging and breaking

LAND ROVER incorporating a McConnel Power Arm 44 back hoe and a Hydroville hydraulic road breaker is available from Airdrive, London Road, High Wycombe, Bucks.

Known as the Harrier, the equipment is intended for gas, water, electricity and public works contractors, or anywhere tbat requires higb road speed (over 50 m.p.h.) or a compact cross-country digger/breaker unit.

The digger arm has 300 degrees powered slew plus 120 degrees offset, a maximum reach of 15 feet 10 inches, maximum digging depth of 9 feet and a maximum discharge height of 12 feet.

## Moving the earth in Wales

REMOVAL of about 1.18m. cubic yards of earth on the Aberdulais and Llandarcy (Neath by-pass) A465 improvement scheme was started last week by M. C. Peirce, of Bracknell, Berks. A Parker Kubit crusher and up to 60 tippers will be used.

The contract is worth £850,000 and is expected to take two years to complete. Main contractor for this project is Sydney Green (C.E.).

## £100m. plan takes shape

WITH the Evelyn Estata stage nearing completioo and largely occupied it is now possible to see how the Deptford area in London's Lewisbam borougb will look wben the £100m. redevelopment scbeme is complete.

Instead of sweeping all the old and unattractive Deptford away, and replacing it witb bigb rise flats, tbe local authority has attempted to integrate tbe old witb the oew and achieve some sort of overall unity. It has been forced to put up some bigh rise buildings, but haa included tbree- and four-storey maisonette and flat blocks.

Apart from the obvious problems of relationships between bigh rise aod low rise, the planners have bad a major headacbe over tbe numerous railway lines tbat criss-cross tbeir way, often over viaducts, tbrougb the redevelopment area. However, about 485 acres will ba redeveloped and the remainder rehabilitated or given a face-lift.

Tbe Evelyn Estate is the first stage of the redevelopment side of the operation, and the main contractor here is Crudens. The Evelyn contract is worth £3.4m. and the estate, which uses the "Skarne" industrialised building system comprises 842 dwellings with five sbops, a branch estate office, community centre, multi-storey car park, the playgroup buildings and a children's home.

Crudens is also building a 60-bed old people's bome wbich is nearing completion, and it has a £4.3m. contract for tbe Milton Court Road Estate, wbich will provide 1,116 dwellings, again using the "Skarne" system. Tha same system will be used for tbe Rolt Street development coosisting of 116 dwellings.

Altbough the Deptford scheme has a long way to go yet, it is already apparent that the decision to look at the area as a whole was rigbt. If the redevelopment had been done piecemeal, with no overall plan, Integration of old and new would have been impossible.

## Powerful aids to designers

LOUGHBOROUGH University of Technology has announced that tha civil engineering programma suite code-oamed "Genesya" is working on the University's ICL 1904A computer as well as tha big CDC 6600 at SIA in London.

An IBM 360 version of the facility is nearing completion.

Sub-systems are also well on the way to full testing and it is expected that the University will ba able to announce tbe date when the Genesys Centre it houses will hecome available for general use some time in November.

The master program in Genesys is intended solely to control a library of problem-solving programs known as sub-systems. It organises within a computer all the information presented by the engineer whatever sub-system is heing used.

The suite will he a major boon to designers because of the speed witb which it permits otherwise tedious detailed handwork to be be carried out.

Initially, there will be five sub-systems. One of these will design aod detail reinforced concreta buildings constructed from slabs, beams or columns. Calculations are taken right through to the detailing of the reinforcement. This is known as RC-Building/1.

Frame-Analysis/1 looks at two or three-dimensional structures composed from straight members. Many types of load, settlement or temperature effects can be applied.

Bridge/1 analyses hridges that can be considered as continuous beams of varying sections with rigid or elastic supports. Various effects can be applied and bending moments or shear forces can be printed out as well as many other exparimental results.

Wide hridges composed of slabs and beams of rectangular, skewed, circular or arbitrary plan form can be handled by Slab-Bridge/1. Reactions, bending moments and reinforcement details are the output. Finally Highway/1 will, as it suggests be usad to calculete quantities and setting out data.

The Cantre is offering membership and bureau sarvices as required and further details of the aupport it can give tha civil engineer are available from tha Centre at Loughborough.

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# Long road of IMF reform

THE international monetary negotiations which were precipitated by President Nixon's balance of payments package a month ago, and which are now getting under way in the Group of Ten and in the wider forum of the International Monetary Fund, offer a long-overdue opportunity for improving the world's monetary system. The uniquely privileged position of the dollar, which was written into the Bretton Woods charter, no longer corresponds with the realities of either political or economic life, and has only been shored up throughout a decade of worsening American deficits by a battery of subterfuges. The establishment of Special Drawing Rights as a new, collectively managed reserve asset points the way towards a more rational monetary system, and if this week's negotiations lead eventually to further progress along these lines the crisis may yet turn out to have been worth while.

### *Risks*

The risks inherent in the monetary crisis are at least as great as the opportunities, however. The Nixon package contained a large number of protectionist measures, and while the import surcharge, the Buy American provisions and the tax credits may serve the useful purpose of reflating the American economy, they make it more difficult to achieve a solution of the international monetary problems. In principle these measures are temporary, but the concessions demanded by the American Administration in return for their removal are both far-reaching and complex. The U.S. may be right to resent the foreign exchange costs incurred by stationing troops in Europe; it is a resentment which has been felt by this country for many years. But the negotiation of a new system to neutralise such flows across the exchanges could not be simple or quick. Even more complex are the implications of the American complaints—so far ill-defined — against other countries' trading practices.

What is more, it is difficult to feel confident that Mr. John Connally is sensitive to the dangers of the present situation. It was only to be expected that the U.S. would seek to maximise its opening demands, according to the time-honoured traditions of international negotiations. But the U.S. Treasury Secretary has given the impression of such rigidity that there is some doubt whether he is at all anxious to negotiate a rapid solution to the present crisis.

No one can expect the present negotiations to be concluded very rapidly even on the most optimistic assumptions: what is at stake is a fundamental reform of the international monetary system, regardless of any other issues that the U.S. may want to put on the agenda. The important thing is that all the participating countries should be prepared to make concessions.

Strictly speaking the question of the price of gold is peripheral to a reform of the international monetary system. The closing of the gold window is only the logical extension of the two-tier gold system and of Washington's long-standing policy of staving off official gold conversions, and it is clear that the U.S. cannot re-open the gold window. But the gold price is a politically-charged issue both in Europe and the U.S.

### *Long way to go*

The realignment of parities is likely to prove difficult because it involves all the complexities of multilateral horse-trading. By one means or another most other major currencies will have to be revalued against the dollar, and the arguments centre on precise percentages. As far as the U.K. is concerned, the essential aim must be to minimise any revaluation of the pound against tha rest of the world, but not necessarily to minimise the revaluation against the dollar.

Yesterday's preparatory meeting of the Group of Ten leaves the state of the negotiations very much unchanged. The Ministers have moved towards an agreement on the issues that need to be tackled, and they have paid lip-service to the need for "prompt solutions." But there can be little doubt that they have a long way to go.

# President Thieu in trouble

ALTHOUGH the dollar crisis and President Nixon's prospective China visit have drawn public attention away from Vietnam recently there are signs that a different order of priorities may be about to assert itself. In six days' time South Vietnam is due to hold its presidential elections with only one candidate—President Thieu himself. In Paris, recently, there was a notable hardening of the Communist position at the Vietnam peace talks. On the battla front there has been a brief but intensive American air attack on North Vietnam motivated, according to U.S. spokesmen, by a major build-up in Communist anti-aircraft capacity.

### *Vital link*

Of these three developments the last has already produced a bitter reaction from Hanoi. The North Vietnamese cancelled last week's session of the Paris peace talks in protest. But it is the one-man election in Saigon that threatens to provide President Nixon with his biggest headache. The staging of a suitably democratic election this autumn, albeit with President Thieu as the almost certain victor, was a vital link in the American strategy for disengagement from Vietnam. In order to secure such a result the U.S. Embassy in Saigon went to enormous pains earlier in the summer to secure the participation of General Minh the popular leader of the 1963 coup against the Diem regime.

Even President Thieu himself, after first attempting to disqualify Vice-President Ky from the poll, was reduced a few weeks ago to trying to co-opt Ky into the election against his will. The fact that neither man has consented to take on the President in what would no doubt have been a heavily manipulated election is a poor advertisement for the democracy the U.S. has tried so hard to establish in Vietnam. Worse still, it provides the Communist additional lever against the Americans and South Vietnamese.

### *Leverage*

The nature of this lever was demonstrated ten days ago when Mr. Xuan Thuy, the leader of the North Vietnamese delegation in Paria, finally scotched speculation that Hanoi was ready to negotiate a peace settlement with the U.S. without regard to the political situation in Saigon. The basis for such speculation had been the Communists' own seven-point peace plan, which proposed the release of American prisoners of war in return for a firm pledge of U.S. military withdrawal. But the Communist plan also mentioned the deposition of President Thieu and Mr. Thuy is now saying that this was intended as an "inseparable part" of the peace package.

The hardening of the Communist line following an earlier display of calculated ambivalence represents a logical response to Preaident Thieu's predicament in Saigon. It also means that President Nixon is under stronger pressure than he has been for some months to discuss political as well as military issues with tha Communist delegation in Paris.

Whether these developments will be enough to persuade the U.S. to negotiate with Hanoi over the fate of the Saigon Government remains highly doubtful. To do so would be to nullify the American claim that the regime in Saigon is democratic, and to concede that point would be to make nonsense of the whole history of American involvement in Vietnam. But if President Nixon cannot bargain awey President Thieu he must be aware that his *protégé* in Saigon represents a rapidly diminishing asset. There are plenty of ways in which Washington can apply pressure on the Government of South Vietnam apart from dragging the name of its leader into the Paris talks. It may now be expected to put some

# Northern Ireland—the outlook for a political solution

**John Graham**, reporting from Belfast, Sunday, describes how to-day's tripartite talks on Northern Ireland are viewed in Ulster itself, where 'life goes on, but only just'

THE DEBATE in Parliament last week, and to-day's meeting of the British, Irish and Ulster Prime Ministers, has given a political face to the Northern Irish question. There is a political problem, the politicians are talking to each other, and it would therefore be reasonable and comfortable to believe that a political solution will appear. After all, the English have a supposed genius for compromise: Mr. Faulkner is clearly prepared for some compromise; and Mr. Lynch cannot afford to force a crisis.

Mr. Heath (left) meets Mr. Lynch, the Irish Prime Minister (centre), and Mr. Faulkner, the Ulster Premier, for talks at Chequers to-day on the Ulster crisis.

Such an attitude might be encouraged by the relative quiet of the past week. There have been bombings and shootings, of course—the Belfast nights are never quiet. Buildings have been destroyed and men and women killed, but this is normal now, and hardly remarked any more. At least the last week produced no stupendous atrocity, and was slightly more peaceful than some of the weeks before.

But there is little reason in Northern Ireland to-day, and no comfort at all. The tripartite talks dominate the newspapers, but they mean nothing to ordinary people, for whom the situation has gone beyond politics. It was actually a civil servant at Stormont who conceded to me only two days ago that the province was no longer being governed. There is not yet civil war, but there is a degree of anarchy. Ordinary life goes on, but only just. In some instances it has broken down pretty well completely.

## Disorder and distrust

It is a far cry from the even tenor of life in England. In Belfast you are constantly aware of disorder and distrust. When you go shopping you do not hang about in the empty shop; you buy what you want and get out. When you ride on a bus, you cannot help remembering that the IRA only last week declared all public buses their targets.

Hotels and other public places in the centre of the city are emptier and quieter than they ought to be, and if you visit a restaurant you think twice about sitting on the side next to the street, especially if there are large plate glass windows. Many people living in the middle-class suburbs do not come into the city centre at all now.

When night falls you wait for the first explosions. If the trouble involves a police station or an Army patrol the news travels astonishingly fast through the city. In the bad areas, the Ardoyne or the Crumlin Road, angry crowds form just as quickly. The deep sound of an explosion alternates with the sharper note of the machine gun. If the lights flicker or the wireless goes dead, you know a transformer has been hit. It's easy to tell what is going on; it's sometimes hard to believe it.

In a way these are small things, whose greatest significance now may be that they have come to be accepted as normal. Much more important, socially and politically, are the other ways in which people's lives have been altered. Take, for instance, the campaign of civil disobedience being conducted by the Catholics, which consists mostly of refusing to pay rents and rates to the Government. This might seem a relatively insignificant tactic, but it has caught on fast and several local authorities are badly affected.

The Government at Stormont considers it very serious indeed, but there is little it can do. The *first* eviction of a Catholic family for refusing to pay rates, and no one could tell the consequences. Anything from an individual lynching to open civil war is imaginable. This is just one of the evidences of an ungoverned country.

Far worse are the population migrations going on all the time beneath the surface of daily life, out of sight and out of mind until they reached such proportions in the past two months that they could no longer be ignored. A study by the Community Relations Commission discovered that in the last three weeks of August, immediately after the internment order, more than 2,000 Belfast families moved house, and this has continued throughout September.

The movements have not been random. They have occurred in the mixed areas—Catholic and Protestant—which used to be thought of as buffer zones, encouraging some sort of community stability. These mixed areas are now being rapidly re-segregated into sectarian ghettos, tha Protestants tending to go to the newer housing areas on the edges of the city, the Catholics crowding into the centre. Spontaneous and organised squatting is re-segregating housing in such a way as to undermine the credibility of non-sectarian housing policies.

The Commission was not sure of the reason for this. "What might be explained as a sinister attempt by Protestant extremists to evict Catholics and evacuate Protestants prior to some desperate para military adventure, might also be explained as a rational attempt by Protestant street militants to rehouse Protestant families from the margins of Catholic areas where tension is getting too high. Similarly, what may be looked upon as a provocative policy of extending Catholic housing ghettos into formerly stable mixed areas may also be looked upon as an honest effort to find homes for Catholic families who are too scared to live elsewhere . . ." and so on.

Nevertheless, it is difficult to exaggerate the importance of this. To give up a house you have lived in for years for the insecurity of squatting is an act of desperation; to destroy your house as you leave it, or let others do so, is an act of despair. Nothing short of an overpowering sense of fear could be leading both sections of the population to make this voluntary retreat into defensive positions.

Each statistic in the Commission's study represents an individual tragedy. The unseen legacy in every case must be a personal bitterness; the visible legacy is a no-man's-land of empty streets, row upon row of unoccupied houses visited only by the Army searchlights.

It is this background of fear which is making even responsible people here sceptical of the chances for a political solution. There can be few countries in Europe where politicians are held in such low esteem.

Most of the Catholic population have an almost total distrust of the Unionists, and do not put all that much faith even in the Catholic members of Stormont. The reason for this is partly the disunity among the Catholic members themselves. They do not make a unified and credible opposition, and it is not clear at the moment precisely what their political demands are.

## A gathering unrest

Similarly, a large number of Protestants distrust Mr. Faulkner's Government. Many Right-wing Unionists have left the official party, and it is generally accepted that if there were an election to-morrow more than half the Unionist members of Stormont would not be re-selected by their constituency associations. There is a gathering unrest at the grass roots of Unionism, stirred most recently by the Heath-Lynch talks and the tripartite meeting.

By merely agreeing to see Mr. Lynch, Mr. Faulkner haa alarmed those Protestants—almost certainly a majority—who fear a sell-out and are determined, whatever anyona may say, to maintain Northern Ireland as a Protestant country for Protestant people.

The bitterness still felt by Protestants over the abolition of the "B" Specials is a sign of what may be expected if their real power is further diminished. The Ulster Defence Regiment is now getting applications faster than at any time since its inception, and these are predominantly from Protestants. The Catholic representation has fallen from nearly 20 per cent. to 10 or 11 per cent. Of course, the UDR is under the British Army's control, but some people here ask how long the Army will remain as the peace-keeping force, *especially if English* public opinion demands its recall? It is not impossibla to foresee a situation in a few years' time when the UDR would pretty well be the old "B" Specials with a new name.

The British and Northern Irish Governments are naturally trying to build up the UDR as fast as possible, since that will not only make it easier to patrol the border but also reduce the possibility of independent citizens' action. Indeed, many in Ulstar think it surprising that the Protestants have not yet taken to the streets themselves. The Army says it has little evidence of militant Protestant action, or of the much talked about Ulster Volunteer Force, but there is quite enough weaponry around. If the Protestants were ever to decide to take the law into their own hands, there would be little the Army could do.

The one ray of hope is that it has not happened yet and may not happen. There is nothing else in this desolate picture t[...] smacks of moderation. Wors[...] all, there is nothing to sugg[...] that the two religious comm[...] ties are prepared to [...] together, or are even capabl[...] being persuaded to, howe[...] balanced and subtle a polit[...] compromise may be devised.

Apart from the widespr[...] residential segregation ther[...] also almost total segregatio[...] education. Probably there is [...] a school in the province [...] a religious breakdown [...] even than 90-10, and most [...] them are wholly Protestant [...] wholly Catholic.

## Bogsiders and gentry

No institution wishes to serva this hopeless state [...] affairs more adamantly [...] the Catholic Church. But [...] not a religious problem, [...] more than the Middle [...] dispute is over the exact na[...] of the revealed word. [...] happens that the factions [...] more or less along secta[...] lines, and that religious big[...] exists to a sickening degree [...] the worm of hatred has b[...] deeper into the minds and h[...] of the people and its cast [...] much racial as religious. Pe[...] say things about each [...] which are truly shocking, [...] you are denied the usual [...] fort of knowing that they [...] not really mean them.

For instance, one day rec[...] I spent the morning with [...] Catholics in the Bogside [...] the afternoon with memb[...] what used to be called [...] Ascendancy—Anglo-Irish la[...] gentry and businessmen [...] up the social and econ[...] ladders. The Bogsiders t[...] only of the British Army, [...] they were busy fighting. [...] Catholics have no reas[...] love the English, least [...] English soldiers, and the p[...] word they used of them [...] "animals," but it was no[...] less shocking to hear that [...] really believed that the so[...] were out to kill them.

The farmer I visited w[...] educated man, with a [...] estate. He used to e[...] Catholics but said that [...] hired one now all his Prot[...] workers would leave. I [...] called on a Belfast busines[...] again well educated and [...] successful, employing hun[...] of people on both sides o[...] border. He told me, seri[...] that Catholics were less i[...] gent than Protestants.

But there is no need to [...] on the extremist temper o[...] people of Northern Ireland [...] faction lives in fear that w[...] has fought for will be [...] away; the other is alter[...] provoked or intimidated. [...] most hopeful people ar[...] senior Army officers, [...] optimism is the soldier's [...] For the rest, although n[...] despair, there is much de[...] tion.

# MEN AND MATTERS

## Counting on discount: Asda's Key man

To-day Mr. Peter Firmston-Williams takes over as managing director of the Asda hypermarket group, part of Associated Deiries, and gets a chance to put into practice some of the ideas that, in part, led to his abrupt departure a few months ago from Key Markets, part of Fitch Lovell, where he was managing director. Asda has 34 stores, nearly half of them in the size range of 40,000 to 90,000 square feet, with 6 more under construction. Based in Leeds, and still mainly concentrated in the West Riding of Yorkshire and North-East Lancashire, but with a big operation in Birmingham, Asda is a leading exponent of the large discount store or "hypermarket," catering mainly for motorised shoppers.

Firmston-Williams, ex-Lyons, ex-United Cennera, and ex-Associated British Foods (where he was managing director of Conpers of Liverpool, the food stores group, and then retail director of Fine Fare), joined the Key Markets food store group to take charge of buying and warehousing, became marketing director, and then managing director, answering to the chairman and chief executive of Key Markets, Mr. Michael Brook. This management set-up worked until two things happened.

One was that Sir Charles Hardie became chairman of Fitch Lovell a year ago, and has been taking an active interest in expanding the company (its sales are already over £150m.). But his ideas did not apparently coincide with Firmston-Williams' view that if a stores group is to get in on the "hypermarket" concept, it must do so expenditure at the expense of immediate profits. With rising costs, margins at Key Markets have anyway shrunk.

The second thing was the arrival at Fitch Lovell of Mr. George Cannon (ironically, also from Associated British Foods) as director with responsibility for grocery retailing: that is, Key markets among others. So it became a case of too many cooks, and Firmston-Williams resigned.

*At Asda, expansion, particularly* in big stores, has brought the need for better administration, better control figures, and, so the trade believes, better control over "shrinkage" (a polite word for theft). Also, Asda may be turning its eyes towards the South of England, having already penetrated north to Scotland. So Firmston-Williams takes over a new post there as m.d., answering to Mr. Peter Asquith, the Associated Dairies director who helped found Asda and now has Board responsibility for it.

## Controlling the Appellation

The decision by the French wine company, Patriarche, to sell only French-bottled Côte d'Or wines in Britain in future, is not the first time that M. André Boisseaux has surprised the Burgundy trade. Boisseaux, 62, left hia family wine business while in his twenties to buy Patriarche, and has since built it into, he says, "the biggest négociants in France." His most striking success of late, putting him into the millionaire class, has been a dry sparkling wine called Kriter, which is the market leader in France and No. 2 in Britain.

Whether or not Boisseaux's latest move pays off, depends on the Appellation Contrôlée regulations. He may at first, he admits, "be at a disadvantage against some of our competitors who ship in bulk without appellation, or with the appellation Bourgogne," and then bottle and label the wine in Britain. But the Burgundy trade has had its fair share of labelling scandals of late, and the French authorities are once more trying to tighten up and make sura that what is sold under any particular label—Volnay or Beaune, or Nuits Saint Georges, etc.—actually comes from there. If, when Britain joins the Common Market, our Government decides on legislation to enforce the French rules, then Boisseaux will have his French-bottled, *Appellation Contrôlée* wines on the market at the right time. His agents here, Rigby Evens, part of the Matthew Clark Group, are confident that the legislation will come, probably in 1973.

## What companies give to charity

How much does British industry give to charity every year? Recent company legislation has made it compulsory for companies to announce in their annual reports how much they give to political and charitable causes, but so far not much work has been done on calculating the grand total. But Colonel Lewis Wells, of the Wells fund-raising organisation, has been collecting figures, and estimates that the 100 companies with the largest charitable "giving" between them donate over £6m. a year. These same *100* companies give just under £500,000 to what Wells lists as "other causes"—mainly political.

The top five "giving" companies are all household names with £306,000; Unilever, with £236,000; BP, with £205,000; and Marks and Spencer, with £178,000. Last of the 100 is Bowater, with £16,000.

There seems to be no discernible ratio between "giving" and profits or salea, although there is an overall ratio of £2.75 of donation to U.K. charity per £1,000 of pre-tax profit. Companies may of course give to charity outside the U.K. But it means that the *100* companies give little more than ¼ of 1 per cent. of pre-tax profit to U.K. charity, compared to over 1 per cent. in the U.S. Wells however points out that in the U.S. all company charitable donations are deductable against tax, whereas here only gifts under covenant are excused from corporation tax.

The oddity about this is that a lot of U.K. company gifts appear not to be covenanted. "This is difficult to understand because £10,000 given under covenant costs shareholders only £6,000, compared to a total cost of £16,666, including the corporation tax paid, for non-covenanted giving."

The other interesting fact is that individuals give proportionately *far* less to charity in the U.K. than in the U.S. Americans give 16 times what U.S. companies give to charity. The British give only 2½ times what companies give, to yield a probable annual total of gifts to charity in the U.K. of £275m., including £50m. from all private companies.

## Refuelling note

I passed a fish-and-chip shop the other day which bore the sign: "Mo[...] mile ahead. Fil[...]

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هكذا من الأصل

# Commercial Motors

FINANCIAL TIMES SURVEY

## EEC membership can help British firms

By JAMES ENSOR, Motor Industry Correspondent

The British commercial vehicle industry should gain more than almost any other from Britain's membership of the Common Market. The French Government, fully aware of the relative weakness of its own commercial vehicle industry, deliberately excluded trucks and vans, except the very lightest, from the Kennedy Round of tariff cuts. As a result they still carry a punitive import duty into the Common Market, which has made it very hard to increase sales except by assembly inside the tariff wall.

With the exception of Daimler-Benz and Fiat, most of the European truck producers are small specialists, relatively dependent on their home markets. Many of them, such as Magirus Deutz, MAN and Berliet, have a high reputation for making powerful articulated tractor units and heavy trucks for long distance haulage, but few can match Ford or Leyland in price terms, because their production runs are so small.

### Home output

Total British output of heavy trucks (of over 16 tons gross vehicle weight) is twice as large as the French and three times as large as the Italian. Only the German industry, which produces roughly the equivalent of three-quarters of the British output, compares in scope and efficiency.

In the important medium truck market, where Ford and Bedford are strongest, British production is almost twice as large as the German, while the French and Italian output of medium trucks is hardly significant. Only in the light commercial and van market, where Renault and Volkswagen are major producers, does Continental competition appear strong—at least numerically. But Ford and Bedford have a design leadership in the medium van market which should lead to a healthy increase in sales within the Common Market once the tariffs come down. The Ford Transit and the Bedford CF are offered in a range of options of size, door style and engine which no Continental producer can yet match. Since the medium van is essentially a work-horse, this tailoring of design to specific requirements is an important advantage.

In terms of total commercial vehicle output, which incindes large numbers of light vans, Leyland and Ford are each substantially larger than the major Continental commercial vehicle producers, Daimler-Benz and Fiat in trucks and Renault and Volkswagen in vans. Bedford, the third largest British prodncer, is roughly as large as the biggest Continental producer.

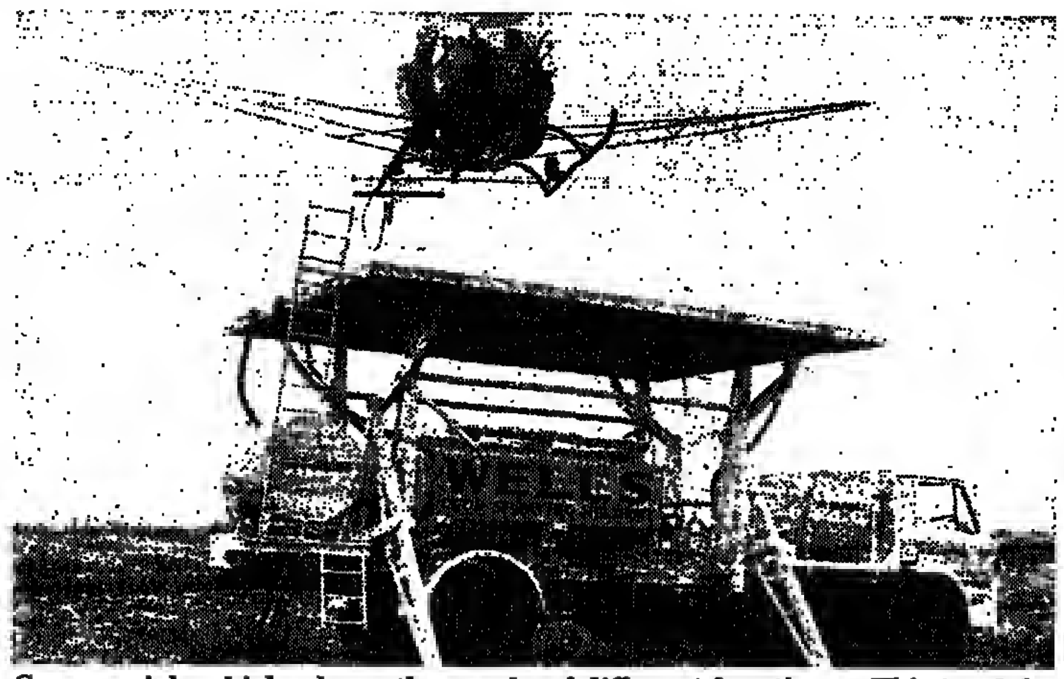
In the important heavy vehicle market, British dominance is not so marked, but it is still present. Fiat, with its subsidiaries Unic and OM, produces 25,000 trucks of over 12 tons gross every year, which is a little larger than Leyland's output in the same category. Daimler-Benz, which is certainly Leyland's most formidable rival in the heavy truck market in Europe, produced in 1970 18,000 trucks of 16 tons and articulated tractors compared to Leyland's 16,000. The only other significant producers in Europe are Berliet, with an output of 16,000 heavy trucks a year, Ford with 9,000 and Bedford with 7,000. Hanomag-Henschell, which produces 5,000 heavy trucks a year, has been absorbed by Daimler-Benz, leaving Magirus-Dentz with 7,000 a year and MAN with 4,000 as the only German rivals to Mercedes.

Within the Common Market, Daimler-Benz and Fiat have already begun to make an impact on the smaller producers. Berliet still holds on to 30 per cent. of the French heavy truck market but Mercedes has grown to 8.4 per cent. and Fiat, with its French subsidiary Unic, holds 19 per cent. of the business. Fiat and Berliet are now linked through Fiat's quarter share of Citroen, the parent of Berliet, and the two truckmakera are beginning to work ont means of collaboration. Eventually they will clearly make a powerful third rival to Mercedes and Leyland in the European heavy truck industry.

### Biggest impact

It is in the medium truck market that the British producers are likely to make their biggest initial impact. Bedford is already selling quite strongly in Belgium and has a useful 1.5 per cent. share of the French medium and heavy truck market. Ford, Bedford and Chrysler, with their American approach to product design, hava developed a slightly different type of truck from those of most of the European manufacturers. Mercedes, Fiat, and still more the Swedish manufacturers Scania and Volvo, have concentrated on highly engineered expensive trucks of the type built by Leyland, ERF or Atkinson in Britain. The three American companies, whose European truck plants are all situated in Britain, have developed a line of cheaper, less powerful trucks which are aimed more at the general transport market and less at the long-haul business where trucks must withstand long hours of continuous pounding on motorways.

None of the Continental producers has yet had to face the full effect of competition from Ford and Bedford trucks in its home market, because the tariff has proved an effective barrier despite the small amount of Continental assembly of British trucks. The Continental medium trucks tend to be much more expensive than the British, because of the shrewder value-engineering of Ford and Bedford, so that these companies should have a real opportunity within the Common Market.



**Commercial vehicles have thousands of different functions. This truck has been converted into a mobile heliport used in conjunction with a crop spraying helicopter in Lancashire.**

### Belgian operations

Leyland's medium truck line, which is primarily the ex-BMC trucks built at the Bathgate plant, has lost ground to Ford and Bedford in the past few years. The BMC trucks were too unreliable and too poorly serviced to match the Ford range, but Leyland has substantially re-engineered the range and put them all under the Leyland badge.

Assembly in Belgium started this year and will build up to a substantial volume by 1975. At first the light and medium trucks of the Leyland Redline range will be assembled but later the heavier Leyland trucks will also be assembled there. Despite Britain's probable entry to the Common Market, Ron Ellis, managing director of the Leyland Truck and Bus division, feels that the Belgian operation will provide a valuable extension of Leyland's truck manufacturing capacity.

Europe, of course, will require some rethinking on the part of the British commercial vehicle industry. The best export markets for British trucks are Australia, South Africa and New Zealand, important truck markets which have stayed remarkably loyal to their traditional British suppliers despite competition from Mercedes and the Japanese. Other major markets are in countries like Nigeria, Turkey and Pakistan, where the requirement is for a rugged, unsophisticated truck that can stand up to bard driving on rough roads. The Leyland and Bedford medium and heavy trucks have proved ideally suited to such conditions.

The biggest European market for British trucks, Denmark, is only the fourth largest export market, while Belgium, which ranks second in Europe, buys only as many British trucks as Pakistan. Clearly the requirements of a bacon producer in Denmark, or a Belgian beer producer, are very different from those of a road-building concern in Pakistan. Some of the British trucks will have to be re-engineered with more sophisticated driver comforts, higher power-to-weight ratios for European motorway running, and other changes to suit the new requirements. But since truck manufacturing, unlike car production, is still largely a matter of assembling a kit of parts to individual customer requirement, this should present no major problems.

If the British producers see a golden opportunity in Europe, the converse is also true. Several European truck manufacturers have been stepping up their operations in Britain and several of the smaller American truck specialists have been looking around for suitable buys among the small British specialists.

Scania and Volvo have so far been the most successful importers. Their trucks, designed for Arctic Scandinavian conditions, are even more ruggedly engineered than Leyland's and they have made some inroads among the long-distance hauliers, particularly in Scotland. Mercedes, which has been selling trucks in Britain for several years, has done well whenever the delivery delays on Leyland, Atkinson or ERF became too long, but seems to have made little permanent impact. Its trucks are relatively expensive and it has not found it easy to develop an extensive service network to match Leyland's.

The importers currently account for about 6 per cent. of the heavy truck market. The Swedes lead this sector, but they have recently been joined by DAF, which has a good reputation among the Dutch long-distance hauliers, and in a more tentative way by Berliet and Fiat. Clearly, imports will win a growing share of this valuable market, just as British trucks begin to increase sales on the Continent.

The only other significant market where importers have scored so far is in the van business. Volkswagen has done particularly well in the minibus and caravan conversion business, where it seems to have spotted a marketing opportunity that its British rivals hava missed. Although it cannot rival the Transit in flexibility, the Volkswagen van is cheap and economical thanks to its huge production run at Kassel and will certainly establish a stronger position. Fiat only recently decided to import its vans and they have sold slowly at first, but like Volkswagen it has the advantage of an extensive car dealer network through which to sell vans.

### Effect on U.S.

The lure of Europe has begun to reach the American specialist producers, too. White, Mack and International Harvester occupy roughly the same position in the U.S. market compared to Ford and GM as Leyland or Foden in Britain. International started to manufacture in Europe, but introduced the wrong product—a long-nosed American style truck—which was regarded as outmoded by European operators. Some of the othera have been looking around the smaller European independents for a way to buy themselves into Europe—but they seem to have left matters too late. It looks as though Leyland and Mercedes will prevent them from establishing themselves in any substantial way in Europe.

So the European truck market will remain a battleground between the three European heavy truck groups, the Swedes—who have already established assembly operations in Belgium—and the American middle-weight producers. Although any prediction is dangerous, it looks as though the British-based manufacturers will get the best of the business eventually.

## COMMERCIAL MOTORS II

# Gloomy picture at home

By JAMES ENSOR

The British truck industry has had a poor time during 1971. Like most other Investment goods industries, the truckmakers have suffered from a cut in industrial spending this year. Companies have heen cutting hack their hudgets all round and the transport hudget has suffered along with advertising, computer-buying, machine-tool purchases and everything elsa.

The impact has heen moat noticeable in the medium-weight truck market hut it has affected every sector of the workiog vehicle business to soma extent. Heavy truck sales bave beld up comparatively well, hut they have not sbown the growth that migbt have been expected as more operators trade up to larger vehicles. The continued uncertainty about Government policy on maximum weights, axle loadings and spacing which has been a feature nf the industry for almost three yeara now has clearly persuaded some operators to postpone purchases until the Department of the Environment publishes its standards.

Tbe van and the light commercial market, wbicb traditionally responds to the degree of profitability and optimism among retail traders has also been substantially down.

To complete a sorry picture, both home and export demand for tractors is poor, following the change in tax allowances for British buyers and poor farm incomes in several export markets. The bua business, bas held firm, so far, as transport authorities convert to one-man operated huses, hut tha severe drop in bus-passenger traffic in some cities and the weak financial situation of many operators suggests that It may not be long before demand falls here, too.

The Department of the Environment's new policy on truck traffic bas not been taken well by some of the truck manufacturers. The noise regulations although apparently only a minor tightening of the allowance, when measured in decibels, bave presented some serious technical problems for manufacturers. Leyland has wlthdrawn Its V-8 engine from production so that modifications can be made to reduce Its noise level and smoke emisslon. Several other manufacturers bave fonnd it difficult to meet the dual test of noise and smoke regulations and the new minimum power-to-welght ratio of six hhp per ton. The Perkins engined Dodge truck, for instance, can meet either ratio independently hut Chrysler engineers bave found it difficult to match both requirements simultaneously.

### Deep convictions

It seems clear that Mr. Peter Walker is taking the "environment" aspect of his Ministry very seriously. He is a man who holds genuinely deep convictions on the subject and is unlikely to be swayed hy the lohhying of any industry. In the matter of the maximum permitted weights of heavy trucks, he undoubtedly has the weight of ordinary public opinion behind him. The commercial vehicle industry may bave dona itself a disservice by not being more conscious of tha puhlic relations effort needed to soften the puhlic's well-rooted dislike of beavy trucks. Inflamed by poorly informed newspaper articles warning of "the menace of the juggernaut" opinion has swung solidly behind Mr. Walker's decision to stay with the present maximum limit of 32 tons.

Obviously this raises transport costs, since costs diminish steadily with the increase in the size of a truck. Equally it will make it more difficult for the commercial vehicle industry to export to Europe where 38 or even 42 tonners are the standard long-distance haulers in many countries.

It seems most unlikely that the Government will change its mind in the foraseeahle future. The British transport industry will have to face up to the handicap of using 32-ton trucks despite the fact that the rest of the Common Market may standardise on 38-ton trucks. A certain easing of the restrictive axle load and length clauses may make lt easier to carry certain typea of load more economically, but there seems little likelibood of any hreak in the weight restriction.

Many engineers in the commercial vehicla industry have made the point that heavier loads could be carried without any detriment to tha environmant, hy maintaining present noise and axle-loading requirements hut relaxing the gross weight restriction. This eminently sensible plan, however, misses the hard fact that heavy vehiclea on the roads hava become a political issue and that most politicians and the majority of the public equata noise, smoke and vibration with gross weight.

Since the industry already exports heavier trucks to the developing countries and to Australia and South Africa, it will have little difficulty in developing a dual manufacturing position with medium weight tractors and rigid vehicles for the British markets and the real heavies for export to Western Europe and the overseas markets. Clearly its position would be strengthened and its prices reduced if lt could build up a substantial domestic volume for 38 or 42 tonners as well. But if this is not permitted, at least the industry has the consolation that hauliers will have to buy more 32 tonners to carry a given transport load than 38 tonners.

### Heavy trucks

The market for heavy trucks abould hegin to recover by next year as the economic stimulus given to the economy in Mr. Barber'a mini-bndget begins to take effect. By then, too, the precise nature of tha Department of the Environment's regulations will be clear, so that operators will be abla to specify tha most economic design permissibla. There is unlikely to be any earlier pick up in demand sinca most of the heavy truck buyers are own-sccount oparators who establish their transport buying plans in annual budgets.

The medium-truck market which has declined more sharply and has caused some of the redundancies and short time working at Leyland's Bsthgate and Chrysler's Dunstable plants, seems to have more deep-rooted problems. The smallar operators who buy the bulk of these vehicles seem to have been worse hit financially, hy the recession in the economy, than the oil companies, supermarket groups and car-delivery companies who buy the heavier vehicles. The fact that drivers of trucks of over 3¼ tons gross now need a full heavy vehicle licence has persuaded some operators to buy lighter trucks and others to buy heavier ones since there is no longer any economic advantage ln running a 5-ton truck.

The problems faced by tha specialists, apparent in Foden's short-time working and redundancies, probably stem almost as much from the competition from Scania and Volvo as from the decline in tha heavy vehicle sector. The specialists have traditionally maintained a close relationship wlth some of the high mileage operators who value the rugged, reliability of the Gardner-engined trucks. But these customers are exactly the type which Scania and Volvo have been attracting. Imports of heavy trucks increased from 350 ln the first quarter of 1970 to over 500 in the first qnarter of 1971. Entry to the Common Market would obviously lead to an increase in the efforts of tha smaller Continental truck producers such as DAF and MAN which have only recently started to sell In Britain. Their competition is likely to hit the heavy truck producers and particularly the specialists who have been able to survive despite high production costs because of their ability to tailor their prodncts to particular demands. With a growing weight of Continental competition, their niche may become smaller.

# Legislating for Europe

By TONY WILDING, Chief Engineer, Freight Transport Association

Tha British transport industry bas been inundated with new regulations for the past five years. Most have been concerned with safety and few would argue against these being justified. What can he argued against though Is that regulations bave become over-complicated making lt easy to be outside the law without being aware of lt. And, of more importance, delays in implementing proposed new laws hreeds uncertainties in both manufacturing and operating sides of the industry.

With the possihility of Britain joining the Common Market now a near certainty, the natural question can be "is there to be a further round of new legislation?" From what has already happened in tha existing Common Market the answer would appear to he in the negative. But one cannot be dogmatic on thls polnt. As European countries come closer together thera could he more of a tendency for recommendations of "the Commlssion"—the Common Market Civil Service—to be taken more seriously.

It would he stupid to ignore the possihility of unified legislation throughout the Continent even thougb big differences exist now. This mainly applies to maximum gross weights. Dimensional legislation is already common with 11 metres the maximum length for rigid trucks, 15 metres for articulated vehicles and 18 metres fnr truck-and-trailer combinations and so on as bere in Britain. But in weights France and Belgium limit their heaviest vehicles to 35 metric tons (wlth a 13-ton axle limlt) and Germany has 38 tons (with a 10-ton axle limit as almost everywhere elae In Europe). The Dutcb limit their gross weigbt according to the tonnage applied to the most loaded axle—the gross can be 50 tnns—while in Italy the articulated maximum is 32 tons (as in Britain) hut with a maximum rigid-truck limit of 22 toos (with four axles), an eight-wheel towing vehicle and an eigbt-wheel drawbar trailer can gross 44 tona.

### Gross weights

It is interesting that wbile Italy has one of the bighest gross weights for combinations it haa the lowest for solo rigids. And while we In Britain may have grounda for complaint at the Government keeping the U.K. limits at a relatively low level, the Italiana have more as there have been pressures and half-agreed plans for increases to hring parity wlth the rest of the Common Market for at least the past six years.

At various timea in the past Internatiooal meetings have put forward plans for unified weight legislation. Most are now outdated wlth the development of containerisation and the need to transport on road—at least at the start and finish of the losd movement—of ISO standard 40-feet contaioers weighing up to 30 tons. To meet all the requirements of safety, adequate engine power and so on articulsted vehicles to carry such a weight will weigh at least 14 tons empty, hence the plea for a 44-ton maximum gross welght—or 45 metric tons which has been talked ahout in other European countries.

Economic transport of containers ls hampered by the refusal to accept thst this weight ls feasihle without harming the enviroomcnt and oow tbe Commission of the Cnmmon Market has put forward 42 metric tons as a standard maximum with an 11.5-ton (compromise) axle weight limit. Such a figure is impractical especially when vehicle unladen weights can be expected to go even higher than they were expected to he with prospective legislation. In Britain we will need engines glving a power-to-weight ratio of 6 bhp per ton gross weight when proposed legislation ls implemented. In Germany the figure ls 8 hhp per ton for vehicles up to 32 tons now and for all including 38 tons from the eod of this year. It can be expected that the whole of Europe will follow sult eventually—and 336 bhp engines and transmissions to go with them are no lightweights.

Nolse and exhaust emlssion will also he restricted severely and while this will affect weight only marginally lt is not going to make for a reduction. Neither will legislation to he expected aimed at improvlng safety standards even more. Already, the Commission has issued a directive detailing a code of practice for some aspects of vehicle design that all Common Market countries ought to adopt, it specifies deaign standards for brakea in particular.

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COMMERCIAL MOTORS III

# Help for the driver

By JACK HAY

With some 90 per cent. of British goods transported by road, and virtually every article which comes into the home travelling by road at some point, the commercial vehicle driver is certainly an important person in the industry.

The stage has now been reached where the driver can influence the choice of the fleet vehicle. A director of a firm of commercial manufacturers explained:

"We would like to use one engine, but the drivers tell the fleet manufacturer that they prefer another: he tells the director, and so we have to supply the other engine. It is as simple as that."

## More confined

The basic fact is also that the vehicle is not only the driver's tool, it is also his office. Apart from his rest periods he spends his working day manipulating the tool, from an "office" which is far more confined than those in a normal commercial concern. The reaction has been that for greater efficiency, there must be greater facilities and greater comfort within the cab—the heart and the brain of the tool. A tired driver working from an inefficient cab will take longer on the road; the longer he is on the road the greater is the cost to the operator, which must be reflected in delivery charges, and, so, ultimately in the cost of the goods.

The British Motor Industry Research Association has undertaken a close axamination of ergomatics in driver comfort and instrument lay-out with commercial vehicles.

In 1964 Leyland iotroduced the "Ergomatic" cah. Before then the design of the cab was exclusively an engineering function. But it had become apparent that driver comfort led to operating efficiency. At tha same time Guy Motors, then a aohsidiary of Jaguar Cara, but now part of the British Leyland Truck and Bus Division, were also introducing a new model range with a eah lnterior which owed much to Jaguar influence.

Both designs had internal similarities—insulation, beater/demister units, deep windscreans for an improvad angle of vision. There was easier access to the cab, and Leyland introduced a tilt mechanism to give better facilities for servicing the engine and major companents.

Leyland followed this up with semi-automatic transmission for the Beaver 32-ton tractor. Elimination of the clutch pedal eased the drivar's load hy removing the requirements to exert a 60-pound pressure at every gear cbange. Recent reports in fact have suggested that a normal car driver using a manual gear change driving to and from work is using sufficient energy to have worked five hours longer than a driver with automatic transmission.

Virtually every car driver bas had the experience of seeing in his rear mirror a heavy lorry closing np on him on the approach to a hill. The lorry driver is not being hitchy. It is just the simple fact that having, on a long straight worked bis way through the gear hox, he wants to have as good a run at the hill as possible to avoid changing down and having to work his way through the box again.

The major drawhack with *most semi*-automatic or automatic transmissions, which the drivers would like, is cost. And the road transport industry is cost conscious.

Noise level, seat comfort, and instrumentation are all now subject of close scientific study.

Mercedes-Benz claim that devices which are a hy-product of space technology are employed in a new type of lorry test rig in their Stuttgart lahoratory.

Called the "hydropulsor," the rig transmits simulated road shocks to the lorry cab through huge hydraulic cylioders attached to the cab's normal mounting points. The shocks, initially recorded on magnetic tape, are "played hack" in the form of movements of the hydraulic cylinders. The lorry can ba "driven" over a smooth road, made to roll, or "driveo" over a cohbled road. Mercedes claim that tests wbich would take months of work for factory test drivers, can be undertaken in a few hundred hours.

## Vibration tests

Vibration tests are also carried out on lorry drivers' seats, using specially made lead plates contoured to the shape of the buman hody, and corresponding to the weight of an average driver.

Just as a tyre is the maio contact of the vehicle with the road, so is the seat the main point of contact of the driver with the vehicle. The widest possible degree of adjustment should be available; not every driver likes the same position.

Bedford claim a "natural, comfortahle driving position," with infinitely variable seat beight adjustment. Seat upbolstery is in perforated panels to give ventilation and air circulation.

The commercial vehicle of today must he designed not only from the operators' point of view—that is to give the hest return for the capltal outlay and running costs—but also from that of the driver. An operator who runs vehicles which drivers do not like, runs out of drivers. A commercial vehicle is a money-earning machine; to earn that money there must he someone at the driving seat. Like all human beings, commercial vehicle drivers come in all shapes and sizes, and more than one driver handles the vehicle. A car driver can cboose a vehicle which suits his owo shape and size; the commercial vebicle cab must be designed to fit any driver.

One operator out of Immingbam used ooe truck for a journey to Wales. It was bandled by three men. One man drove it to Cardiff. There a Welsh driver took over and delivered the load, returning to Cardiff where the first driver, baving rested took over and returned to Immiogham. The vehicle was serviced, re-loaded, and the third driver went back to Cardiff. Eacb driver had to have comfort.

So far, full automatic transmisslon is not used on heavy commercial vehicles, although it is in use in a variety of smaller commercials.

Ooe of the problems of modern living is ooise from road traffic. Legislation controls the noise produced from road vehicles—engine exhaust and air intake, engine cooling fan, and tyres, as well as ooise emissioo directly from the surfaces of the engine.

It has been estimated that a *heavy goods vehicle* travelling with the engine switched off still emanates a high degree of noise. Much noise, of course, is left bebind, hut a driver can still suffer if he has a noisy engine.

Diesel engines are used in most commercial vehicles, and tbe reduction of noise levels in these has been part of tha research into such engines. CAV studies have sbown that controlling the rate of fuel injection to restrict the initial pressure rise following ignition of the fuel charge affords reduction in nolse, hut with some sacrifice of efficiency. An alternative approach to this prohlem of diesel engine noise bas been to control the vibratioo of the engine surfaces by changes in engine structure. This is vital to the driver for if he is subject to excessive noise over a long period he becomes more tired, possihly more lrritahle.

There is also a safety factor. Commercial vehicle drivers use thair mirrors hut they also use their ears, and an excessively ooisy engioe could prevent them hearing a vital danger approaching, particularly in mist.

Car drivers tend to boast ahout their own vehicles. Commercial vehicle drivers are more critical; they have to live and work in the vehicle. At motorway rest points they dlscuss not the advantages of their vehicles, but the shortcomings.

## Design board

If they find another vehicle better than the one they are driving they report it back to the traffic manager, or foreman. From there it goes to the sales representatives.

And from there it should go back to the factory; and "back to the design hoard."

Commercial vehicle traffic will contioue to rise in Britaio. With it will grow the influence of the driver on the design of vehicles.

Britain is in the position of being the largest exporter of commercial vehicles in the world. In the first five months of this year Britain exported 84,415 commercial vehicles, includiog buses and coaches, and imported 6,945.

Not only does the commercial vehicle driver have a role to play in the carriage of other goods for export. His opinion on vehicles should he listened to as it could mean much in the future.

The widely acclaimed cab design of the Ford Transit. This 1971 model also includes face-level ventilation and an improved facia crash-pad.

# Legislation—*(Cont'd.)*

Continued from previous page

As time goes on European legislation in general will demand more sophisticated, stronger, safer and heavier goods vehicles. They are also going to cost more to buy and to operate. If weights do not go up to realistic figures road transport is going to cost more. Perhaps this is looked upon as a good thing in countries such as Germany where help for ailing railways is considered much more important than keeping consumer costs to a minimum.

In most of Europe there is a need for higher gross weight limits so that road transport costs are held at their present levels. This country must follow the pattern, most certainly when Britain is in the Common Market. Even if it were practicahle to clamp down on vehicles coming into this country now with the same (higher) weights applicahle in their own countries, Britisb international operation would be at a disadvantage as the hnlk of any mileage must he on the other side of the Channel.

And if there were strict enforcement of our limits oo the Continentals *coming* bere it *is* easier to arrange delivery of load pulled off than organise extra load to make up to Continental limits once the British truck is on the mainland of the Continent.

Some people are afraid of the effect of heavier trucks on the environment. Even Government Ministers confuse weight with size but the only size change mentioned has been 9 inches on the maximum length of 49 feet odd. Why should there be talk of "larger units"? Vehicle box dimensions need not change.

Annual increases in growth of the economy are important and this will mean more goods to transport. Road transport will maintain its lion's share of 80 per cent. or more—no other mode can do the joh as efficiently or cheaply. So there must be an increase in the size of the "national road-vehicle fleet."

Allowing heavier vehicles would mean that a specific amount of goods can be moved without increasing the number of vehicles operated. There could be an improvement in the environment then, especially as such heavier vehicles will have to be quieter and produce cleaner exhausts than now as well as being safer. Surprising as it may be to the "environmentalists" there is no transport Parkinson's law which says that the amount of goods to he transported increases in direct proportion to the capacity of the vehicles available to carry them. The deciding factor is the requirement of the population. If 1m. tons needs 50,000 vehicle journeys with the application of a weight limit permitting 20-ton loads, there would be 10,000 journeys fewer with a 24-ton payload possibility.

# COMMERCIAL MOTORS IV

# Many problems for tyremakers

By STUART MARSHALL

As vehicle designers pit their wits against the laws regulating the size, weight and load distribution of heavy lorries, new problems arise for the tyre designers, too.

For example, since tri-axle semi-trailers running at 32 tons gross combination weight first appeared in Britain in the mid-1960s, operators have been plagued with acute tyre wear problems. With three axles in line, turning a sharp corner causes the leading and trailing tyres to be dragged sideways, and it has not always been possible to achieve a proper balance of loading between all three axles.

One tyremaker, Goodyear, investigatad the situation in conjunction with the running gear manufacturers. In some situations, cross-rib designs of crossply tyre were found to increase tyre life compared with all-steel radials once the running gear had been modified to achieve better weight distribution. In others, putting a Super Single, ultra-low profile tyre on the middle axle only, was the answer.

Pirelli claim even better results by using radial tyres with multiple ply sidewalls on tri-axle trailers—and so the debate goes on. Always the aim is to achieve better tyre cost per mile figures, because this is the ultimate test any haulier applies to a tyre maker's claims.

In a bid to improve operating efficiency, there bas been a trend toward radial ply construction for truck tyres, and the majority of long-distance lorries are now fitted with this type. They offer several benefits. In the first place, they last a great deal longer than the crossply tyre in normal applications because the tread is braced by a hidden belt and does not wriggle and squirm against the road as the wheel revolves. This is inevitable with crossply construction, because the criss-crossed plies of the tyre reinforce both sidewall and tread, and flexing of the wall causes unwanted movement of the tread.

The radial tyre runs cooler than a crossply, due to its lack of inter-ply friction, thus blunting the assault of rubber's worst enemy, heat. And its lower rolling resistance is reflected in reduced fuel consumption—up to the order of 7 or 8 per cent. in multi-axle vehicles.

### Lagged behind

By the end of this year it seems likely that radials will bave about 50 per cent. of tha total truck tyre market, and will continue to forge ahead until, in 1975, there will be twice as many radial truck tyres as crossplies.

Michelin, pioneers of tha radial truck tyre, led the way with all-steel construction over 20 years ago. Since that time their production bas consistently lagged behind demand. Hence their decision to build three new factories in Britain to make truck tyres, wbaels and tyre reinforcing materials.

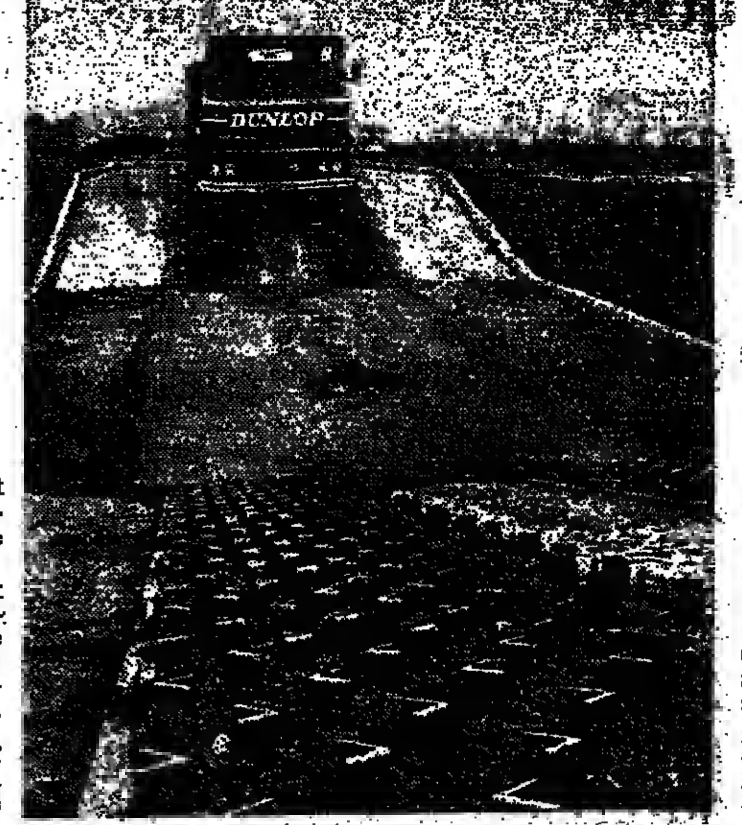
Until recently, all-steel construction has been favoured for truck radial tyres, but Pirelli, for example, now usa composite construction, with up to six nylon sidewall plies (compared with a single steel ply) combined with a multi-ply steel belt. It is said that this type of construction gives greater lateral stability. Apart from helping to overcome the tri-axle trailer problem already referred to, this is an advantage with vehicles having a high centre of gravity, because too much lateral tyre flexibility aggravates roll. Less steering effort at low speeds and greater resistance to sidewall damage are claimed as further benefits.

Apart from their constant search for longer tyre life, designers are alwaya trying to save weight, because a lower tare weight means a greater profit-earning load within overall gross limits. This accounts for the widespread adoption of tubeless truck tyres, which eliminate the weight of the tube and flap and allow lighter wbeels to ba used. Hence, too, the adoption of the "Super Single" tyre, launchad in Britain nearly 10 years ago by Goodyear.

One "Super Single" tyre, which is roughly twice as fat as a conventional truck tyre, replaces twin wbeels and tyres on non-steering axles. The weight saving is considerable—up to eight cwts on a 32-ton gross articulated lorry. A better ride, improving the driver's comfort and reducing wear and tear on the vehicle, especially when unladen, is another advantage. "Super Singles" also give better flotatien on soft surfaces and eliminate the danger of stone trapping between twin wheels.

Firestone and Dunlop are also marketing ultra low profile tyres of the "Super Single" type. Michelin can be expected to put them into commercial prodnction in Britain within the next year or so.

Despite the emphasis on radial ply construction, development of the crossply truck tyre has not stood still. Improved tread compounds and patterns have enhanced wet grip and, especially, braking performance, in recent years. Nevertheless, the radial is the tyre of the future for trucks just as much as it is for cars.



Testing commercial vehicle tyres under arduous conditions at Dunlop's test track at Birmingham.

An interesting development in Italy is the Pirelli BS (for battistrada separato, or separate tread) truck tyre. This has a radial ply casing on which the tread band is located by moulded-in lugs and held in place by the pressure of air in the tyre. When the tread is worn out, it can be replaced in a minute or two by a new one—in effect, instant retreading. Or, in winter, the normal highway pattern tread band can be removed and a snow pattern band substituted. Pirelli still regard the BS as a development project rather than a commercial product, but it is an attractive concept.

### Truck tyres

Truck tyres are remarkably long-suffering but, like any other technological product, give of their best only when properly serviced and maintained. With higher speeds being demanded on long hauls, truck wheels and tyres are now commonly being dynamically balanced, just like a car's. Regular inspection and preventive maintenance will ensure that the highest mileage is obtained, and a tread life of over 100,000 miles is not unusual for a properly maintained radial ply truck tyre.

But a good breakdown service is an essential part of road haulage operations. By far the largest is that offered by the National Tyre Distributors Association, Britain's organisation of tyre specialists.

Any haulier dealing with an NTDA member can get quick tyre breakdown service, nationwide, with the cost of the service—and any new tyres needed to get his vehicle going again—being billed to him later.

Dne to the considerable growth of international road haulage, the NTDA has instigated the setting-up of an international tyre breakdown service. Operators of lorries based in Britain can now obtain breakdown service, and the supply of tyres on credit, in Holland and Germany, and the scheme is likely to be extendad to France before long.

# Components sector slack

By PETER CARTWRIGHT, Midlands Correspondent

Recently a letter from a major commercial vehicle manufacturer landed on the desk of a component supplier. The manufacturer regretted that he would bave to reduce orders by 15 per cent. but gave an assurance that this was the lowest point to which they would sink, based on the best market research available. Tbe writer pointed out that the decision had been forced on the company. Measures to avoid it, such as building for stock, bad been taken to the limit.

It was, said the components supplier, a typical letter. The commercial vehicle sector of the industry feels an economic downturn later than the car sector. Correspondingly, the effects of reviving demand, of increasing capital investment, are also delayed, and with a heavy stock position no-one is bolding ont any hope of an appreciable improvement before the spring. Full recovery may not be achieved until 1973.

The current situation is in marked contrast with that existing 12 months ago. Although demand began tailing off in the last quarter, production ended the year relatively strongly.

### High level

In an effort to maintain a reasonahly high level of economic activity new drives to increase sales in overseas markets were undertaken witb some successes, but the contraction in demand has been worldwide. Squeezed both at bome and abroad and faced with rising stocks, truck manufacturers were forced one after the other to cut back, with the result that short time working is now prevalent.

The summer mini-Budget that hrought immediate relief to the car sector of tbe industry is unlikely, judging hy past events, to have much of an uplifting effect before February-March, and witb heavy stock situations, it may be another six months after that before vacancy notices again appear on factory notice boards.

### Better balance

The effects on component manufacturers have been almost as variable as their products. In any downturn during which hauliers prune investment and make their vehicles last longer there is a tendency for the replacement market to grow, while those component makers who serve both car and commercial vehicle sectors are able to some extent to achieve a better balance of production than those solely associated with commercial vehicles — the chassis frame and diesel engine makers, wheel aod spring suppliers and so on.

On the other hand, their chances of finding more outlets overseas may not be so restricted as those of the truck makers, as shipments of parts and accessories tends to bear out. These are not hroken down as between those for cars and trucks, but the overall figures are a reasonahly reliabla guide. They account for around 40 per cent. of exports of all products of the motor industry with a steadily improving value performaoce. In 1969 parts aod accessories sent overseas totalled £379m. of the £1,073m. achieved by the industry as a wbole. In 1970 the comparable figures were nearly £448m. out of £1,157m., and in the first six months of this year exports of parts and accessories amounted to £259.1m. of the total industry figure of £689.2m. This compares with £223m. and £591m. for the corresponding period last year.

While falling demand has been the chief cause of shortened order books, technical and legislative factors have also played their part, and until they are resolved component makers will find it difficult to see the way ahead. Two of the most important counts are tbose concerning power to weight and gross vehicle weight. Elsewbere in Europe it is mandatory to have at least 6 hp per ton but in the U.K. there is no such legislation.

The industry and its customers are also awaiting Government legislation on permitted vehicle weigbts. At the moment 32 tons gvw is the maximum, but several truck makers bave been making vehicles of much higher capacities in anticipation of the U.K. coming more into line with Europe and to be first off the mark. Some may now find they have tha ability to make bigger vehicles than the law will allow. Top-level talks between the Society of Motor Manufacturers and Traders are now going on with Government representatives in the bope that new legislation will soon be approved. Current thinking is that tbe gvw figure will centre arouod 42 tons.

### Whole range

Certainly until prospective customers know what they ougbt to buy they are going to make do with what they have. The largest fleet operator for a whole range of vehicles ia National Freight Corporation. Its experience may not he typical, but is worth recording. It runs 27,800 vehicles, so its investment programme is of substantial interest. Officially it says there has been only a marginal change in policy, but it is hard to believe this against the statement from Britisb Leyland that it does not have an order on its books from the Corporation.

In addition to all these factocs, another one has been at work making for a higher fleet utilisation. The lifting of the ban on back-loading — for instance, taking a load of washing machines to London and bringing back radios—has appreciably changed transport economics, and again component makers have been among the sufferers.

Nevertheless, they have been far from inactive during this slack period in the development of new and improved products. In the diesel engine field a number of principal manufacturers are introducing new marques of high-revving small engines; while at the other end of the range announcements are awaited abont at least one important V-engine in the 350-400 hp range. Only a little further away is the introduction of gas-turbine engined vehicles which are expected eventually to take over from heavy diesels. Both these strands of development are involving specialised component makers, like those

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# Changes in van design

BY DAVID WALKER

Van design has changed radically in the past 15 to 20 years. A vehicle which was a utilitarian compromise has been transformed into something which is a pleasure to drive, with a wide range of functions varying from the strictly commercial to the outright pleasurable.

After the last war, the van market was occupied basically by vehicles which were either car derivatives or light truck-based hybrids. Very basic, they often bad neither provision for passenger accommodation nor the fittings which were beginning to be seen, even then, as necessities for the private car owner.

Nor were they necessarily good at tha sort of jobs they were needed for. A van easy to load, easy to drive, or easy to manoeuvre was exceptional, adding considerably to the rigours experienced by delivary drivers and nther users.

One of the most significant changes came in 1952, from *Vauxhall Motors* with the purpose-built Bedford CA range, which worked on tha principle of maximum load, minimum road. A forward control layont eliminated the bonnet, giving maximum load volume within compact overall dimensions.

Justification for the new type of vehicle was soon shown in the sales figures; some 370,000 CAs were sold during the model's 17-year lifetime.

## Major innovation

Another major innovation came in 1964, when the British Motor Corporation introduced the first mass produced monocoque construction medium van. The norm in ordinary car design, that development had heen considerably slowed by the *needs* of specialist body bnilders. Those were and are of considerable importance to the basic vehicle manufacturers, with their work on vehicles for particular needs in comparatively small quantities freeing valuable mass-prodnction lines.

Alongside basic design changes has come an emphasis on driver comfort and manoeuvrability. The British Leyland J4 range of panel vans thus has a turning circle of just 33 feet—well comparable with many saloon cars.

In the de-luxe versions of Chrysler U.K.'s Commer Compact range, among others, the driver has a cigaretta ligbter. Not long ago, even an ashtray might have been missing.

## Operators' job

Van seating has also been brought up to saloon car standard, with due allowance made for the longer time many van *drivers spend at the wheel compared* with the average private car driver.

The changes apply as well to making the operator's job as easy as possible when loading or unloading, with big, wide doors and a variety of door configurations to meet the needs of varied delivery patterns.

Safety, too, has come under clnse attention. The Commar Compact de luxe, for example, featurea a large rear-view mirror, safety rocker switches, padded facia, and four-way emergency warning flashers.

To-day, the light/medium commercial vehicla market is domlnated by Ford Motor's Transit range, introduced in 1965 and barely altered since. Last year, the company sold 36,558 Transits ln the U.K., and achieved 54,000 deliveries over*all* including exports. With a market share of around 30 per cent., annnal sales are running at over £140m., including £50m. abroad.

## Long strike

Despite the long strike which closed Ford production linea for *several weeks earlier in* 1971, the company still expects to sell 54,000 to 55,000 Transits this year, bringing total U.K. production since the model's introduction to over 300,000. Manufacture also goes on at Genk, Belgium, which had acbieved an overall Transit output of more than 180,000 by January.

Moving closer behind Ford is Vauxhall, with its Bedford CF range, which replaced the CAs in 1969. Tbe CF played a large part in the record sales recorded by the company in the first six months of this year. Its overall number of van registrations then were *42.2* per cant. up on the same period of 1970 at a time when the total market declined by nearly 4 per cent.

British Leyland's Austin Morris J4, with the smallest standard body of the top three sellers, has some 21 per cent. of the market, with Chryslar U.K. a little way behind.

Imports have been making inroada on the dominance of home-produced vebicles, just as they bave as far as cars are concerned. In 1969-70, their sbare of panel van sales in the U.K. was only an average of 6.5 per cent.; this June, the figure was 10.2 per cent. and it is expected to rise as successive rounda of tariff reductions reduce the price advantages of British-made units.

As far as car-derived vans are concerned, British Leyland is tha clear market leader, despita the age of two of its best selling models—the Minor-based van and the Austin Cambridge derivative. Both come from cara no longer in production; in the case of the Cambridge from a car not made for over 10 years.

The gronp is not alone in tbat, even though Ford and, to a lesser extent, Chrysler offer vans based on their latest car models. With Ford, for example, an Escort van was unveiled at the same time as the Anglia saloon replacement. Demand for new car models, bowever, can mean that production lines are fully occupied *meeting* that without *any* changes being made to well-selling van ranges.

Even though it seems only a matter of time before British Leyland unveil a Morris Marina-based van, its ageing trio—Minor (6 cwt and 8 cwt), Cambridge (½-ton) and Mini-van—still account for 50 per cent. of all light van sales.

Some 20 per cent. of small van sales are to private individuals rather than commercial users, thanks largely to the car-basad spacification at a purchase tax free price. The number is rising despite the danger feature of a vehicle which, for no apparently good reason, is forced for tax purpnses to have no form of window beyond the driver's door. Particularly significant are caravan coo-versions on both car-derived and panel vans.

The major van purcbasers, however, are the big fleet users, whose importance is immense. Earlier this year, for example, Chrysler gained a Post Office order worth £2m. for 2,440 vans in one of the most valuable commercial purcbases ever by a single customer.

Meanwhile, the design changes are continuing. Automatic transmission, already available on some models, is bound to become more common. More fundamentally, recently introduced regulations on testing and plating act towards the introductinn of mucb larger bodies on existing chassis and cabs.

## Real prospects

Lightness has also been made an even more important factor, and there seem to be real prospects for an expansion in the use of aluminium bodies, despite that material's greater cost. Specialist body-builders have not been slow to see the opportunities there.

On top of that has come experimentiog away from coo-ventional power plants. Crompton Leyland Electricars, the joint Britisb Leyland-Hawker Siddeley subsidiary, has developed an electric van, for example, capable of over 30 miles an bour with a 25-mile range between battery charges.

Continued growth of the van market seems certaln, at least until the introductinn of Value Added Tax in around 18 months' time. That could well place vans on the same tax basis as ordinary cars, thus removing the lncentive element as far as private buyers are concerned.

Until then, the reflationary measures announced by the Govarnment ln July sbnuld do a good deal to boost sales, just as they have for cars and heavy commercial vebicles.

Thera is also strong demand abroad. The countries of the European Economic Communlty, in particular, are like Britain in having large van markets, *accounting in most cases for* over 60 per cent. of all commercial vehicle sales.

Quite apart from direct sales, growth also seems to lie in the rental field. Manufacturers are now becoming directly lnvolved through their malo dealers ln that, such as the Ford Rent-A-Van scheme announced ln January.

The popular Bedford 6 cwt. van produced by Vauxhall Motors Ltd.

# Components

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making fuel injection systems and heat excbangers, while transmission and suspensinn makers are steadily improviog their products to produce better ride and comfort for operators.

With drivers now well into the £2,000-a-year class on the heavies carrying lnads worth up to £50,000 or more, comfort and safety are of paramount importance. More comfortable cabs, with an increaslng number being supplied wlth sleeping berths, more sopbisticated driving aids, sucb as more fully adjustable and better sprung seats, instrumentation and gener*ally all*-round improved creature comforts tn lessen the strain of fast driving on congested roads, will be making their appearance.

New automatic transmlssions, some of which are now undergoing field trials on buses, antl-jack-knlfing devlces, anti-skid braking wlth dual systems, and brakes to match heavier and faster-moving loads are all waiting to be taken up on a far wider scale thao they have been at the moment. Legislatioo is progressively moving towards imposing greater obligations on owners. A good deal of wbat is going on is the subject of European-wide talks so that a sensible degree of standardisation can be achieved to prevent a chaotic situatlon from developlng if each country determines its own standards.

## Not in doubt

Component makers in the U.K. are technically among the strongest in Europe, and have among them bigger and more widely representative world interests supported by lncreasingly better sales and service organisations. While short-term prospects suggest that recovery will be delayed their ability to get quickly off the mark with technically competitive products for home and export markets is not in doubt.

A big-league assembly line technique at the Cheshire works of ERF.





COMMERCIAL MOTORS VI

# Future pattern of bus operations in much doubt

By DAVID WALKER

Britain's bus market is in a state of flux. The immediate future of the bus manufacturers seems assured, but the direction in which that future lies is a good deal less certain.

Recent Government exhortations to local authorities to support rural bus services could mean a slowing down of or an end to the gradual disappearance of the country bus. Likely to help towards that are Department of the Environment's proposals for radical changes in the bus licensing system, which has been basically the same since 1930.

Those could lead, too, to significant changes in the pattern of rural services and the types of vehicles operating them. The overall result will be to make easier the development of public minibus services, and allow the giving of lifts for payment in private cars. Already one village, Datchworth in Hertfordshire, has started to organise what amounts to its own public transport system without conventional buses.

## Proposed changes

The changes proposed have met immediate criticism from bus operators, but there is little reason to believe that they will not be implemented as planned following a series of consultations with manufacturers and operators.

Despite doubts among some experts about the practical effect of the proposals—it is said that minibuses, for example, could prove no more viable than conventional 30- to 50-seat vehicles because of the importance of wages in determining costs and the need at peak periods for larger units which cannot be left standing idle at other times of the day—it seems unrealistic to believe that they will have little or no impact.

In towns and cities, too, the pattern of bus operation is changing rapidly. Both urban and rural areas are now familiar with the one-man operated bus, the result of staff shortages and the need for economies generally.

But almost all such vehicles are single deck, forced to be so by Department of the Environment regulations which barred one-man double-deckers because of the difficulty a driver alone has in taking due notice of what is happening on two levels. Yet single-decker units are not necessarily the most apt for big city operation, when thousands of people have to be shifted comparatively long distances over relatively short periods.

Now, the regulations have been altered to allow the one-man operation of double-decker buses of advanced design. Those are already being introduced in London. London Transport plans to have its entire fleet one-man operated by the end of the decade. Already, 1,070 one-man single-deckers operate in the City and its suburbs every day, and it had been thought that the number would grow.

The DoE alterations, however, mean that the single-deck fleet will remain virtually static in number, at least until 1975. (Detailed plans for the years beyond that have not yet been worked out.) Instead, double-deck "Londoner" buses on British Leyland Daimler Fleetline chassis are being introduced. Over 140 are in daily use, with their front entrance allowing payment either through machine or to the driver, middle exit and central stairs. By 1975, nearly 2,000 will be in service.

Elsewhere, in-town bus services are coming under examination as part of the general bid to wean passengers back from the private cars which are so increasingly choking urban centres. Perhaps the most significant proposals were contained in the Lichfield Report on public transport in Stevenage, the Hertfordshire new town, published last year.

That envisaged frequent services at flat rate fares with all stops within a few minutes of people's homes. A turnround in thinking had occurred, away from previous attempts to persuade people to go to work by bus by using prohibitive parking charges and extensive one-way systems to frighten cars off the road.

## More attractive

Instead, the bus service was to be made more attractive. Professor Lichfield decided against double-deck vehicles because of the difficulties thought to result from one-man operation; their *bulk*, making them allegedly unattractive to look at and uncomfortable at speed; and the innate disadvantages of stairs for the old and very young.

He proposed air-conditioned single-deckers, with large windows and bright livery "to reflect modern fashions in colour and style and convey an impression of an up-to-date fast vehicle." And he also urged bus hostesses, to perform similar tasks to those on airliners.

Stevenage had already been supporting an extremely successful taxi-style bus service, using bright blue double-deckers, with all seats bookable in advance, to take people from near their homes direct to work and back. Now, the first stages of what could be the forerunner of full implementation of the Lichfield Report have been introduced in the shape of "Superbus." Initial response has again been good.

## New factor

Alongside those specific developments affecting demand have come more general changes. As in so many other spheres, environmental considerations have become important. That has led to moves to cut down noise and reduce pollution from engine fumes. Even though the shift in emphasis has come too late to save the pollution-free (but not sufficiently flexible) trolleybus in this country, experiments have gone on with electric vehicles. In the U.S. Westinghouse produces an electric bus with room for 18 passengers and said to be capable of running for eight hours at a time and making more than 500 stops and starts.

More important have been attempts to move away from the bus as a low production vehicle having to be changed in detailed specification to meet the different requirements of a myriad of separate operators. Several new vehicles have emerged, with striking design similarities, in a bid to provide a standard unit.

The most important, undoubtedly, is the Leyland National bus, the product of a joint venture by British Leyland and the National Bus Company, which is spending £15m. on replacement buses this year. The single-deck Leyland National is of integral construction, meets all relevant regulations in this country and many others, and has a luxurious specification as far as both driver and passengers are concerned.

Volume production is likely to start early next year. By mid-1973, it should be running at the rate of 2,000 units annually. Each bus costs around £9,000, considerably less than more traditional vehicles. Already, the first year's output—500 vehicles—and more has been sold, with the major purchaser, not surprisingly, the National Bus Company.

*London Transport* is thought to have been seen also as a potential customer, and its decision to concentrate for the time being on double deck replacement could have been something of a blow to British Leyland. Municipal operators, however, are said to be showing interest, and the company is convinced it *will* have no difficulty in finding customers.

Similar in many ways to the Leyland National is the Metro-Scania, an Anglo-Swedish development manufactured at Birmingham by the Metro Cammell Weymann bus-building subsidiary of Cammell Laird (Metro), itself a big bodybuilder on Leyland and other chassis. Launched in 1969 and planned before the Leyland National project was announced, about 100 of those vehicles have been sold in Britain, including two for the Stevenage Superbus service.

Those results are said by the company to be well up to expectations. Like the Leyland National, the Metro-Scania, is available with fully automatic transmission, but its engine is larger. A major feature is its quietness—at 77DB its noise level is half that of many other buses.

Yet a third example of the same sort of vehicle has been produced by Mercedes-Benz in Germany, and there has been talk of its linking like Saab-Scania of Sweden with a U.K. coachbuilder to develop an Anglo-German vehicle. Mercedes, too, has been working on a full-size battery bus with a small diesel-electric generator to boost the batteries and achieve adequate range outside built-up areas.

## Again dominant

Despite those developments, a strong market remains for the traditional vehicle. British Leyland is again dominant here—it is the only U.K. manufacturer to offer double-deck chassis at all. But Ford Motor has been making significant advances. A year ago, the company, which supplies chassis only, won its first order from a National Bus Company subsidiary, Midland Red. The deal involved 100 buses, worth £585,000, for rural routes, and was the largest contract ever placed by a British operator for front-engined one-man single deck vehicles. Now Ford is expanding its bus chassis production facilities.

That sort of success has been reflected, too, by the various independent bus bodybuilders, several of whom are successfully seeking out markets which, they maintain, may not be catered for by British Leyland.

Thus Willowbrook, until recently part of the Duple group, expects output this year to double compared with 1970 following a similar rise 12 months ago. With a new range of units for Ford and Bedford chassis just introduced, the company is actively exploring the possibilities of local assembly of U.K. parts in Ghana and Nigeria, two of its principal export customers.

There, according to Mr. George Hughes, its chairman, the concept of the integral bus could meet with some resistance, while, at home, enough users outside the National Bus Company remain to make the future of the independent manufacturers assured.

Overall, the U.K. bus market has become a replacement market only, and a declining one, though there are hopes that present Government policies will not lead to its disappearance to be followed, as in other developed countries, particularly the U.S., by massive state spending on buses on social grounds. With revision to the grant system due in 197[illegible] some considerable fall in demand is expected in the mid-*1970s*.

Exports, however, are buoyant, and thought likely to remain so, with heavy demand for buses both as passenger service vehicles and for military uses. Ford, for example, exported 997 chassis last year, and 1,202 in 1969, while British Leyland has a number of bus assembly operations overseas.

# Diesel engines

By JOHN DICKSON-SIMPSON

The U.K. is the world's biggest producer and exporter of high-speed diesel engines based on or derived from automotive designs. Out of a 3¼m. annual market in the political West, 830,000 are British made. The Japanese make nearly as many diesels, it is true, but half of them are smaller than 15 h.p. Similarly, it is a Japanese manufacturer, Yanmar, which produces the greatest number of diesel engines, but the bulk of its 400,000 are tiny single-cylinder units. The world's number two, Britain's Perkins, sees a much bigger financial turnover from its normal 325,000 a year production.

Because of a current world-wide recession, particularly in agricultural-machinery sales and not just in trucks, the diesel-engine industry is rather fed-up at the moment. Nevertheless it is still sticking to its forecast that world-wide diesel-engine sales will reach 5m. by 1980.

According to C.A.V., Ltd., the diesel fuel-injection equipment division of the Lucas group, the split of diesel usage is 43 per cent. for industrial and marine purposes, 31 per cent. for commercial vehicles, 16 per cent. for agricultural tractors and 4 per cent. for cars. The runners-up to Perkins are Daimler-Benz (205,000), Fiat (200,000), Ford (180,000), General Motors (172,000), British Leyland (125,000), Mitsubishi (120,000), Isuzu (100,000) and International Harvester (100,000).

The British interest in world-wide markets is understandable, since 70 per cent. of the *diesels* are exported. Hence also the interest in the non-automotive uses. Yet it is in the automotive—and particularly commercial-vehicle applications—where the designers' hearts still lie and where the exciting developments almost always begin.

Plenty is happening on the commercial-vehicle front to capture the attention of the diesel men. And although it is the quantity-producers such as Bedford, Ford, Perkins and the ex-B.M.C. section of British Leyland which capture the limelight of the statistics, it is the bigger engines of eight litres and above which are attracting technical attention.

## Fuel prices

Road transport, particularly in Europe, has been in the throes of a realignment tantamount to a revolution over the last two or three years. Gross weights keep increasing. So, unfortunately do fuel prices. Long hauls, including international transport, are more common. Maintenance costs have soared. Roads have improved. The driving time allowed by law has been cut. Minimum performance standards are being set by legislation; so are noise and pollution standards.

All these factors have combined to create a changed operational environment in which more powerful engines are needed to give the speeds and hill-climbing performances now

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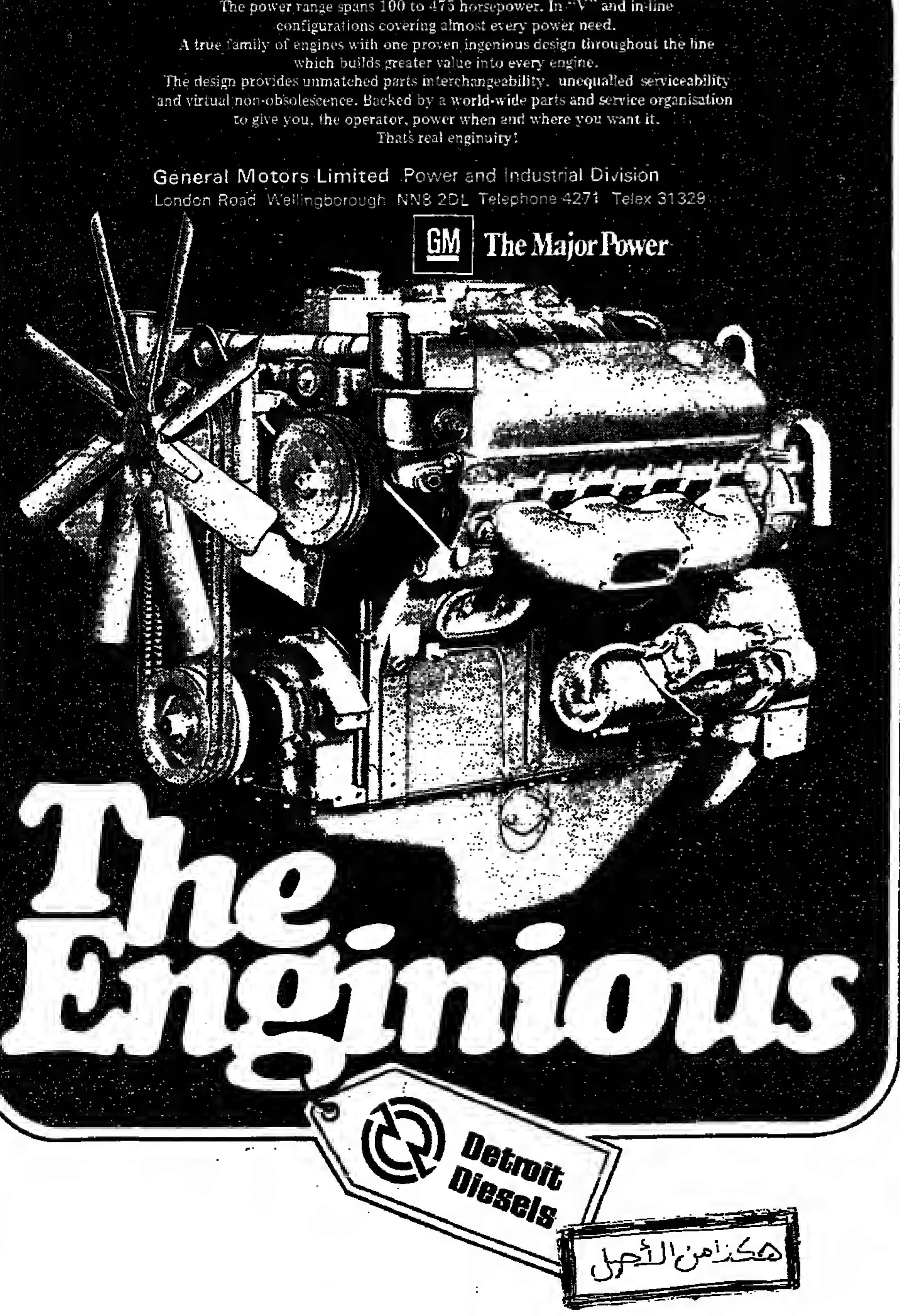
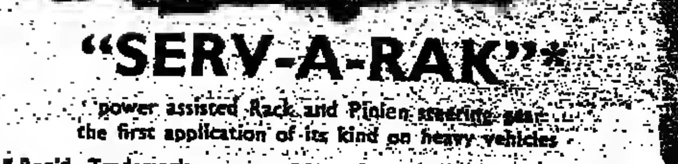












COMMERCIAL MOTORS VII

# Specialised role of small bodybuilders

By P. A. C. BROCKINGTON, Commercial Motor

Typically, the small bodybuilder produces bodies to cater for the particular requiremants of his customers, who generally inclnde a variety of operators having individual problems that have to be sorted out with the bodybuilder before the design of the structure is finalised. And normally the larger companies in the small bodybuilder category also offer a standard range of bodies that can be adapted or modified to some extent without major changes to the basic structure.

Increasing use is being made of kits of cut-to-size parts, available from aluminium companies and stockists, that enable bodies of a known type to be built at short notice by a small labour force without wastage of material in the minimum of workshop space. The availability of these kits may well contribute to the flexibility of the bodybuilder in that they provide an easy way of producing a standard type of platform, tipper or van body as and when it is needed without interfering with the production of more *specialised bodies. A number of* bodybuilders that started in a small way currently have 100 or more employees but the essential character of the company is, in most cases, unchanged.

## Lot of trouble

In the context of this article, "specialisation" refers to special versions of standard types of bodywork, as distinct from body structures for such vehicles as tankers, mobile cranes, refuse vehicles, tower wagons and so on, the operation of which is highly specialised. And some examples will serve to illustrate a few of the problems of a bodybuilder who is prepared to go to a lot of trouble in coping with a diversity of individual requirements.

Take the relatively simple case of an operator who wants a drop-sided platform body that is to be used in the normal way for carrying mixed loads on outward journeys and full-width pallet loads on return runs but will be occasionally employed to transport heavy unit loads requiring a non-slip heavy-duty floor. Pallet loading would necessitate employing sides that could be folded inwards to lie flat on the deck and unit loading could well create sub-frame stressing problems. And if operating economically depended on carrying the maximum payload the best use would have to be made of lightweight materials.

How to build a tipper body of reasonable weight for a long-whaelbase vebicle that is sufficiently rigid torsionally to combat the overturning hazard when a sticky load is being tipped on soft ground has been a major beadache of bodyhuilders over the years. And the bodybuilder may also be faced with the problem of providing a structure that is corrosion and abrasion proof as well as proof against high frequency vibration when the vehicle is running light. The operator wants the lightest vehicle at the lowest cost. He may specify ona of many types of taildoor and if be is carrying materials that can be pneumatically discharged the body has to be designed accordingly, possibly with partitions. And if the body is of the drop-sided type additional strength will have to be built into the sub-frame. It is not surprising that operators sometimes have a go at designing and building a body themselves. But generally they can find a small bodybuilder who will do it for them, a bodybuilder wbo has a personal knowledge of the service conditions of the vehicles.

Belt-discharge bodies have been produced in greater variety in recent years and are built almost exclusively by smaller bodyhuilders. Their successful operation is typically dependent on the operator getting his sums right with the help of the bodybuilder.

At the low-weight end of the van scale there is keen competition between bodyhuilders in the production of lightweight bodies for appropriate diesel-engined and petrol-engined vehicles to operate at under 30 cwt unladen or under 3½ tons gross plated weight to obviate the need for an operator's licence. The design of heavier vans can be likened to the design of big tipper bodies in a lot of cases in that suitahility is often dependent on the bodybuilder knowing what the operator requires more realistically than the operator bimself.

## Floor tracks

Double- or triple-deck loading, banging loads, loads that are bandled by a fork-lift truck that is driven on to the deck, floor tracks designed to handle palleted loads, the use of a tailboard loader, the need for cleanliness and many other factors and specified features may bave to be taken into account individually or collectively, apart from lightness, dimensional suitability, ease of repair and so on. And the operator of an insulated/refrigerated body may spend bis money very unwisely if the body ia not built by a bodybuilder wbo takes the troubla thornughly to investigata conditions of service hefore be starts on the job. Too much or too little insulation or refrigeration can be very costly in one way or another.

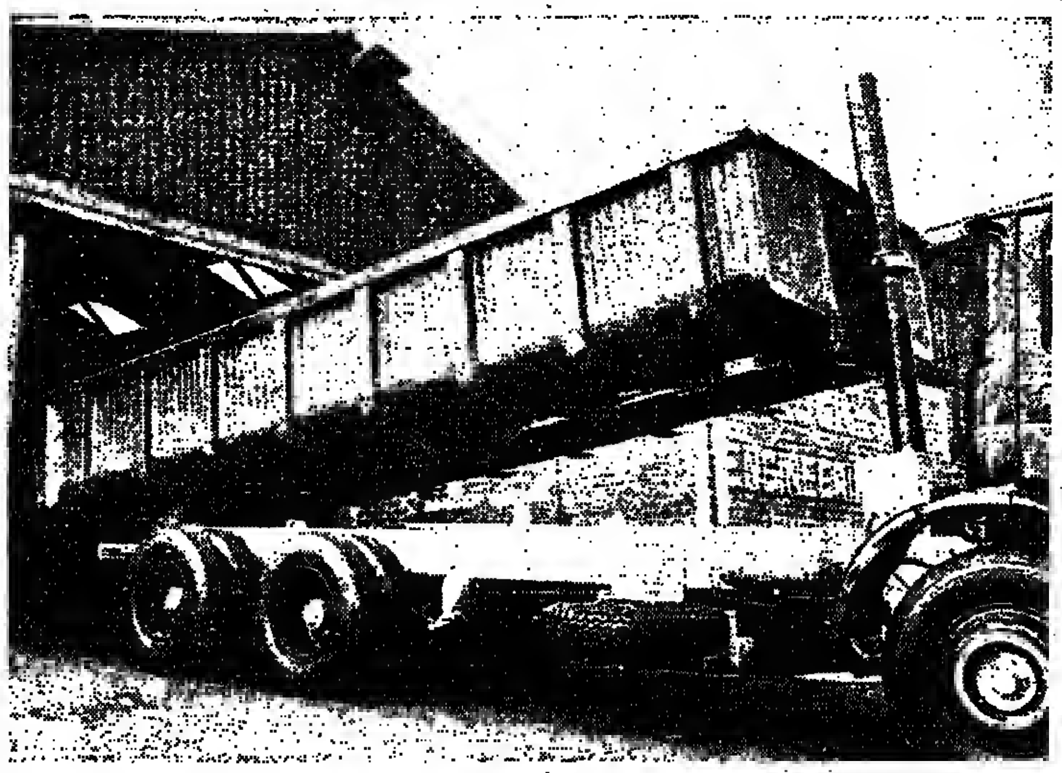
Tha demountable body is in a class by itself. There are now about 12 companies mostly in the small bodybuilder category who are producing demountables, and in some cases the demounting system represents a completely original concept. Again, matcbing the body to the traffic is of first importance.

"Quality and workmanship have noticeably declined in the products of the larger manufacturer," observes Mr. John Lake, managing director of Tiverton Body and Container Company Ltd., Tiverton. Mr. Lake rejects line production and says that a bodybnilder's employees must identify themselves closely with the individual customer and his requirements. He points out that smaller companies can be as technically advanced as larger ones and that in the main progress bas been derived from advances in the materials provided by suppliers.

Mr. Hubert Leet, managing director of Seadyke Freight Systems, Wisbech, emphasises that operators require a down-to-earth personal service combined with guaranteed delivery dates and that the small bodybuilder generally scores on quality as well as service. And it is notable that the company recently developed an original type of dual-floor system for discharging free-flowing materials that eliminates the need for a tipping gear, provides for discharge in premises having restricted headroom, and enables a bigger payload to be carried. Seadyke are one of many smaller companies which include Alusuisse tipper bodies in their ranges built from kits supplied by Star Aluminium Company, Wolverhampton.

Increasing the load potential of a particular chassis model is a rewarding exercise that generally gets the hackiog of the vebicle maker, and an aluminium drop-sided tipper body that was receotly produced by Derbyshire Tippers Ltd., Staveley, near Chesterfield in close liaison with Paynes (Heavy Commercials) Ltd. of Hinckley, Leics. is a good example of such a project. By usiog a variety of extrusions in a layout designed to give uniform stress distribution, Derbyshire Tippers were able to build a body weighing 8 cwt specifically for a Ford D900 chassis that gives a payload of 10 tons, wbicb is normally the payload of the heavier and more costly D1000 chassis.

Some three years ago, Truck Engineering of Oldbury in Worcestersbire, produced an all-plastics 11 cubic yard tipper hody by the lay-up process that is mounted on a 16-ton-gross chassis and eoables a payload of 11 tons to be carried. Recently completed, a 14 cubic yard hody of this type is mountad on a 22-ton-gross chassis and can legally carry a payload of 14.75 tons. Future plastics bodies will be injection moulded which will give more accurate control of section thickness and will thereby enable weight to he further reduced. Special shaping of the plastics members improves the streogth/weight ratio of the body.



A payload of nearly 15 tons can be carried in this all-plastics tipper body produced by Truck Engineering Ltd., of Oldbury, Worcestershire.

# Diesel engines—*(Cont'd.)*

Continued from previous page

required despite greater loads. Yet fuel economy is as important as ever and the standards of reliability and life being demanded are even higber than before. Half-a-million miles is the expected life of big diesels now; for the smaller ones 200,000 miles is lonked for.

The first stage—that of offering designs which will provide the fresh standards of performance—has heen accomplished. Some enterprising ideas have come to fruition in the last two years. The V8 configuration bas come on the scene. So has turbocharging. Engine speeds have been raised. Bores have been enlarged. An overhead-camshaft eogine with the cylinder bead and block combined in a single casting has cnme from Leyland. An in-line straight-eight bas been introduced by Gardner.

## New generation

Not all these innovations have been complete successes. It would perhaps be asking rather too mucb for them to be so in only two years of experience. So now the new geoeration of diesels is entering its second phase—that of ironing out the problems.

The first priority has to be reliability. For there is no doubt that it is on its reliability that the success of an engine is primarily judged.

Thus, an enlarged and improved Cummins V8, rated at 210 hp, has been introduced. The rival Perkins V8 is also being enlarged and its reliability improved. The hig AEC (Leyland) V8 has already heen enlarged and is now being improved in reliability and noise. The Cummins range of in-line six-cylinder 14-litre engines has been lightened a little, the powers effectively raised somewhat and their combustion made cleaner. The fuel economy of Rolls-Rnyce 12-litre six-cylinder engines has been made better, their powers raised and their weight cut slightly. The 8-litre overhead-camsbaft fixed-head Leyland engine is still having a lot of development time spent on it, with concentration nn turbocharged versions. The Foden two-stroke diesel has bad its coding system re-vamped. The Gardners need no improvement; all that is needed is more of them (chassis manufaclurers are rationed with Gardner engines).

There is one worry whlcb is certainly shared by Gardner, however. That is the Government's two-prooged legislative attack on diesel-powered lorries (sponsored more from misconceived political pressure than rational argument). A minimum power-to-weight ratio of 6 hp per ton of gross weigbt is threatened. Directly linked with this proposal is an insistence of basing the power-weight ratio on the installed power of the engine, driviog all its auxiliaries, such as air compressor, generator and power-steering pump. Moreover, strict limits are being placed on the density of the exhaust smoke. Laler on there will he a tigbt maximum control over noise output as well.

## Different powers

To meet all these legal requirements at almost the same time is proving a rather traumatic experience. There can often be 140 permutations of engine specification for various installations—all resulting in slightly different powers. Under the terms of the latest Britisb Standard these powers can be calculated, once the power absorptions of the different auxiliaries, fans, air filters and exhaust silencers have been found. It is still a tremendous task. At the end of it the Britisb engine makers are still faced with meeting a tougher power-weight standard tban their counterparts in other countries because a British horsepower will be less than other nations' until Internatinnal staodards are agreed for both horsepower measurement and power-weight legislation.

More seriously, engines which at present on their bare-state rating produce enougb power to give vehicles 6 hp per ton will not give sufficient in their installed states. The 180 bp 10½-litre Gardner is such an engine—and there are several others. Actually, the Gardner engine's smoke density is so far inside the British Standard limit that more power could be very simply obtained by allowing a little more fuel to be injected. Or the governed speed could probably safely be raised. But Gardners make it difficult for themselves by refusing to market increased power without improving fuel consumption. So probably some hard development work is afoot I would guess. Other makers are often resorting to ligbt turbocharging or increasing the hore or stroke to leave more power margin.

Most of the diesel manufacturers are confident of the long-term sales prospects and, unlike the chassis producers in their private more reailstic moments, are keen to make inroads into continental Europe. Perkins already has plants in the EEC althongh without much strength as yet on the automotive side.

## Service network

The company with the shining prospects, if only because of its go-getter American-based salesmanship, is Cummins. It is spending £2m. over tbree years developing its European sales and service network. At present they make 25,000 engines a year. By 1980 they expect to make 87,000. The European effort will concentrate on in-line six-cylinder units; tha Krupp-made big V6 and V8 engines of the 1960s were flops. Now some intriguing sales-promotion schemes are planned by Cummins, fundamentally designed to inspire customer confidence by giving long-mileage guarantees and fixed maintenance costs per mile.

So far as Cummins are concerned, gas turhines are out of the picture. In the U.S. a fresh range of 350 to 620 h p engines is being developed around an 18-litre in-line six. Thanks to much use of aluminium it is claimed to be only slightly heavler than the present 14-litre engines (whicb are heavy—they weigh just over a ton).

Aluminium engines do take time to develop, bowever, and they are probably the long-term answer for Europe. It now seems a pity Leyland did not pursue this theme in 1965. They built a prototype which was mnst promising, and Lord Slokes gave the go-ahead. But somehow his bold decision was shunted off the rails of future planning. They could have been at least five years ahead of their competitors.

COMMERCIAL MOTORS VIII

# Industry needs more warning of new laws

By TONY WILDING

To a layman it must seem surprising that the truck manufacturing industry should have made any fuss at all about Government proposals for power-to-weight legislation and a reduction in permitted noise-emission levels. "What's wrong with 6 horsepower per ton of gross weight," one could say, "surely that isn't much to ask?" And it could also be said that a noise limit in the region of 90 decibels should be met without too much difficulty by any piece of mechanical equipment.

Things are not so simple as that, though. Take the second point. It is necessary to understand the mechanics of noise to realise the difficulties that can be created. Unfortunately, noise is measured on an unusual scale. Conversation gives a reading of 50 decibels and a pin dropping some feet from a measuring instrument will rate a decibel value.

## Basic problem

So we have a basic problem and it is added to by lack of knowledge of the character of noise. If noises produced by all the different parts of a complex assembly like a vehicle added together to produce the final total, there would be little difficulty in knocking off 3 or 4 decibels. But noises do not work this way. If the total reading from a multiple source is 90 decibels, the two major noises could each be 87 decibels. Eliminating completely one component but leaving the second of equal strength will still leave this 87 decibels on the meter.

To reduce the noise from a vehicle by a significant degree—and 3 decibels is significant—can call for a lot of research. It is not just a question of modifying the exhaust and fitting a couple of noise-absorbing baffles. The whole of the engine may need attention plus the transmission and this takes time, so much so that the AEC V8 has had to be withdrawn from production temporarily until noise problems have been solved.

It can be argued that the industry should have anticipated legislation and already have carried out the necessary work. But there has always been considerable demand on research time and money; priority, justifiably, is given to the current problem. Noise is only now in this category and research has been accelerated but the time allowed by the Government between the announcement of its definite plans and the proposed date of implementation was obviously too short.

The same applies to the proposed power-to-weight legislation but here the problem is different. For some time a requirement for 6 bhp per ton had been expected—this figure is in German legislation — and vehicles had been designed here on this basis. But the surprise was that the basic is to be the net or installed output of the engine, with power absorbed by the fan and other components knocked off the full horsepower figure. This may not amount to very much—10 bhp or so—but a lot of models developed to meet 6 bhp per ton based on a net rating are on the borderline.

And other factors have been introduced to create serious problems. Take a hypothetical 32 ton model with an engine developed to its limit to give 200 bhp gross. This met anticipated legislation but net output is 188 bhp, 4 bhp less than the maximum in the proposed laws (6 times 32 equals 192). Maybe to get the extra 4 bhp really major work such as increasing capacity, modifying cooling and revising combustion characteristics will be needed.

Complicating the issue is the need to produce the extra power at the same time as reducing engine noise level. And then the standard by which engine output must be assessed has only recently been finalised and published so only now is it certain what smoke emission level has to be worked to.

Legislators may imagine that manufacturers have a variety of engines lying about ready for dropping into their chassis as required. They may also imagine that new engines can be developed overnight or important changes made without the need for proper development to ensure reliability. Of course, they could not be further out of touch if they did believe these things.

I do not think for one moment that experts in the transport section of the Department of the Environment are anything but completely in touch with problems they can make within the industry. The real problem is that politicians do not always heed their advice and the present stress on environment is tending to overshadow practical reason.

No one with a minimum of knowledge of the vehicle industry could expect legislation such as that proposed for power-to-weight ratio and noise. Arguments that the changes could have been anticipated are invalid because this has been done before and expectations turned out to be wrong.

## Every detail

In complex technical legislation such as that in mind, it is no good at all engineers setting up a programme of development until every detail of the requirements is known. So the manufacturing industry has a very strong case for a delay in implementation. It looks as though there will be a year's grace which should be just about enough. But the tragedy is that there has had to be the uncertainty about all this.

There is no doubt that the current practice of the Department of the Environment in holding the industry in suspense regarding new laws is very damaging. It is important to the economy of this country that road transport can plan for the future. How is this possible when the operator is forced to use a crystal ball to assess the types of vehicle he will need in three, five or ten years' time? As with the indecision regarding dimensional requirements for maximum-gross-weight vehicles the operator cannot decide his future vehicle needs intelligently and so he puts off ordering. For this reason some manufacturers have been hit more severely than would otherwise have been the case in the present business recession in the country.

The proposals for new legislation are, in themselves, generally realistic but only if sense is applied to the decision on dates of introduction. When law defines rigidly highly technical matters, legislators must be prepared to allow adequate development time. They must also decide future standards many years ahead and more important guarantee that there will be no alterations invalidating costly work carried out to meet these standards.

Power and noise limits are certain to become more severe. We will follow the pattern in the rest of Europe where, in Germany, for example, 8 b.h.p. per ton is to be needed for all trucks from the beginning of next year. We will eventually come to this, too, and perhaps in the 1980s to 10 b.h.p. per ton. Noise limits will also come down possibly to a level where engines and transmissions will have to be completely surrounded by insulation material. Then it may be that tyre noise will be the big difficulty and new tyre designs needed.

There are certain things in this life that are impossible especially when there is no room to compromise. We will get to this stage with vehicles at some time. It is important that Governments accept that there are difficulties and give due allowance to them in the interim stages.







# Trailer boom ends

By JACK HAY

Maximum load for minimum cost is the ideal of every transport operator. In the early days it was a case of hitching a trailer on to the back of a truck, fix up a braking system, and put a mate in the cab to operate the trailer brake.

But then came the articulated vehicle which is versatile, capable of a quick turn round, and requiring only one man. A saving in cost. And the articulator grew in popularity.

On the Continent trailers were still used extensively. But not in Britain because successive governments refused to remove the requirement for a mate to be in the cab, even though the days of separate hand-operated trailer braking had long since vanished.

This requirement was removed some months ago, but it has not brought a rush of operators to buy drawbar trailers, even though it did bring a number of ideas for increasing the efficiency of operating methods including demountable body systems, combined articulated/drawbar outfits. In the past three months there has been an upturn in the number of operators interested in using drawbar outfits, though it seems unlikely that there will be many on the roads for some time.

Primarily the reason for this is that though a greater overall length is allowed—18 metres as opposed to 15 metres for an articulated outfit—the maximum gross weight permissible is still 32 tons. In effect this means that operators are able to carry less payload in terms of weight—because of the increased weight of the two carrying vehicles.

## More efficiently

On the other hand high volume loads can be carried more efficiently. For example, the British Leyland Guy drawbar outfits, now used by London Carriers, give an increased body space of some 8 feet over a maximum length articulated outfit, which enables them to carry relative lighter goods more efficiently.

An added advantage of the drawbar outfits is the ability to carry split loads, leaving the trailer at one distribution point while the prime mover continues to another. In exceptional circumstances the prime mover can also be operated lo solo as a normal delivery vehicle at 16 ton gross—or higher if the unit is a multi-wheeler. This would not, of course, be at anything approaching maximum efficiency because of the heavy duty construction of most prime movers.

But the demountable system has become what the constructors claim to be an extension of the articulation principle. Applied to an ordinary rigid chassis, a demountable system gives a conventional truck the kind of vehicle and labour utilisation and operating flexibility advantages the articulators confer. With a demountable, using automatic equipment for loading and unloading bodies, the basic unit can be ready for a return journey within a few minutes.

## Semi-trailers

The two largest manufacturers of semi-trailers in this country are Crane Fruehauf and York. In 1970 the Crane Fruehauf turnover was £18,402,000 and that of York £10,102,000. They are the major manufacturers of both semi-trailers and trailers, and both are confident about the future.

There is agreement that the days of the flat lorry are over, and that the future will lie either with demountables, or with containers, except if long loads such as steels bars have to be carried.

York point out that with either a demountable, or a container, a lift truck can be driven right into the body with the goods packaged, reducing labour and speeding up turn round. York has produced a vehicle which, in effect, can turn a trailer into a form of semi-trailer or articulator behind a conventional truck, or a truck carrying a demountable.

In 1970, trailer makers' production fell for the first time in many years, but in spite of this both Crane Fruehauf and York achieved record results, and current trading is no worse than at certain periods in 1970.

The market is highly competitive. As with the motor industry there will be a considerable amount of backing to the wall. Eventually, Crane Fruehauf estimate, there will be two, perhaps three, manufacturers supplying 90 per cent of the market.

THE FOULNESS PROJECT NOW

# Why London *will* need a third airport

**Michael Donne explains why a third major airport for London will be a real necessity by 1980—no matter where it is sited—and looks into the complexity of what is likely to become the biggest single development project ever undertaken in Britain**

SINCE the Government announced its decision earlier this year to site the third major airport for London on land reclaimed from the sea at Foulness, Essex, comparatively little has been heard of the progress nf this project. It was not until recently that the Department of the Environment, which is overlording the scheme, announced that it had set up a small committee headed by a senior civil servant to get on with the overall planning, and that a review committee was also being set up to keep a watch upon the wider environmental aspects.

## Port complex

Apart from that, virtually nothing has been heard, publicly, about what is likely to become the biggest single planning and development project ever undertaken in this country, costing perhaps as mnch as £1,000m. eventually (including some £600m. alone for a four-runway airport) and taking perhaps as many as 20 years to complete, although the first runway is currently planned to become operational by 1980. What must he borne in mind about "Foulness," as the wbole concept has become known (althnugh some prefer the more apt designation "Maplin"), is that it is not just a plan for an airport.

Associated with it are ideas—as yet not politically accepted—for a major new port complex (drawn up by tha Port of London Authority) and an industrial area perhaps of considerable size—together, of course, with the necessary road and rail access links, and the new towns to house the people employed in the area. The airport, on present plans, may be built first, with its road and rail access links, but the seaport and industrial developments will seem certain to follow, and may even be developed simultaneously.

There bave been several suggestions in recent months that a third major airport for London is not really necessary, and that by spending the money in other directions—for example, on the development of Short Take-Off and Landing (STOL) aircraft—the need for a third airport could be avoided. This argument, however, ignores one vital factor in the wbole airports problem — that wbat is done in the U.K. does not govern the ebb and flow of world air traffic.

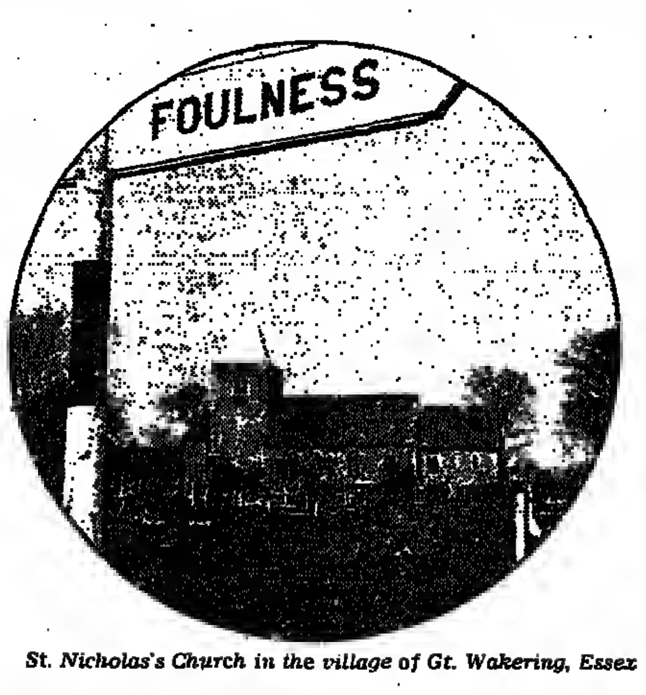
Figures published in tha latest report from the British Airports Authority show that already Heathrow is the busiest airport in the world in terms of international passengers annually (It had 12.6m. international passengers out of its total traffic of 15.6m. in 1970), which means that a suhstantial proportion of its total activity is governed by people coming from or going overseas.

This traffic, which is rising every year (up 11.3 per cent. last year), would probahly still want to come to or through Heathrow or elsewbere in the U.K., regardless of whether or not any STOL aircraft existed. The provision of such aircraft would thus bave no impact on the source of traffic, and would not serve to ease the pressures on runway capacity in the later 1970s and beyond.

Even if the U.K. were to embark upon STOL as an international collaborative venture with countries in Western Europe, it would in the first instance be a sbort-range aircraft (for reasons of cost and complexity) and thus any impact it would bave would be in the short-haul international market not affecting long-hanl international passengers wbo would still come flooding in by Jumbo and Concorde.

Furthermore, even if a STOL aircraft (and its associated eogine) were developed, starting now, it would not be in service for another seven to ten years, by which time the airports in the London area anyway would be running out of runway capacity.

In fact, figures prepared by the British Airports Authority sbow that in 1970 the 46 airports in this country handled a total of 32m. terminal air passengers, most of them at the BAA's own airports. Notwithstanding the current slacker rate of air transport growth, it is axpected that this figure will reach about 50m. by 1975, and that by 1980—the year the first runway is due to hecome operational at Foulness—it will have reached 83m., going on to reach 131m. by 1985.




*St. Nicholas's Church in the village of Gt. Wakering, Essex*

## Falls short

Thus, even without the use of Foulness, before the end of this decade tha existing airports in this country will have to cope wlth 51m. more passengers a year than they are now. The current expansion plans of the BAA, which involve spending some £10m. a year on all its airports, excluding additional runways (wbich have been ruled out by the Government), will enable Heathrow to he squeezed up to 30m. passengers a year, Gatwick up to 15m. and Stansted up to 5m.-6m., a total of around 50m. passengers, which falls far short of the 83m. that the country's airports as a whole are expected to have to cope with by 1980.

This must mean that the 33m. who cannot find runway capacity at the three main BAA airports will have to go elsewhere—to Luton, Elmdon, Ringway, for example—so that evan before tbe first Foulness runway hecomes available, the country's airport system is likely to be bulging at the seams.

In any case, the Government bas already said that once Foulnass becomes operational, there will be stricter controls on further development at Heathrow and Gatwick wbile Stansted, and perhaps also Luton, may have to be sbut. Thus, in the 1980s, Foulness will have to hear the burden of most of the extra passengers.

To try to suggest that all those millions, most of them coming from or going overseas, could be accommodated in an alternative system of STOL aircraft using existing airports or landing slots just outside other cities, is unrealistic—to say the least.

These figures would appear to demonstrate conclusively that a third major airport for London will become necessary by 1980, no matter wbere it is sited. The fact that the Government has decided, for environmental and political reasons, that Foulness is the site has been the cause of some criticism in itself, but the one big advantage of Foulness is that it does offer room for expansion in the years ahead further out into the North Sea, although since the basic plan is to reclaim enough land for a four-runway airport eventually anyway, this additional expansion may not be necessary for many yaars to come.

The complexity of the task confronting the planners is enormous, and it could well he that one of the raasons why so little has been heard publicly about the scbeme so far is that the civil servants have heen reflecting upon the magnitude of the prohlem their political masters bave put before them.

It covers virtually every aspect of life—hospitals, schools, shops, pubs and all tha other requirements of society, quite apart from all the services the airport and seaport and associated industrial complex will need.

The point to remember is that much of this will bava to be covered by an overall master plan before the first dredger moves out to reclaim the land, for it will he useless simply to go ahead and reclaim land for an airport without first fixing the precise alignment of the runways, which in turn must depend to a large extent upon the precise location of the seaport—no pilot wants to land with dockside cranes just underneath tbe landing gear on the approach path.

In fact, the fundamental political and industrial decision about wbether there is to be a major new seaport complex in the same area has still got to be taken—and at the earliest possible stage of the entire Foulness/Maplin planning operation. It is virtually the key to the wbole venture in that its existenca will govern a whole range of other faclors—the precise airport site, the whereabouts (and the scale) of the road and rail access links, and so on.

## Master plan

In fact, nnce it bas been decided in principle that there must be a seaport at Foulness, the whole operation assumes a new and larger scale that goes beyood what even Mr. Justice Roskill was investigating: there are many who helieve that he did not give full weight to the seaport arguments in his final summary and conclusions.

Once the seaport decision is taken, its site can he determined, together with that of the airport, and the whole master-planning operation can begin to roll so that when the land reclamation is bcgun, probably in about two ycars, work can proceed steadily. It has been argued that in order to get the first runway in operation by 1980, work ought to start on land reclamation not later than 1974. Some hodies, such as the Thames Estuary Development Cnmpany (one of two consortia, the other being Thames Aeroport Group, interested in participating in the venture), has suggested that if laod reclamation were to begin in 1972, the first ruoway could be constructed by 1976.

Tbis would probahly suit the requirements of the British Airports Authority, which would like to see the additional runway capacity as soon as possible. Whether it will now b[e] possible to achieve such a tim[e]scale, however, seeing that [it] is now late 1971 and tha[t] nothing has yet heen done b[y] the Government, is debatable.

One of the biggest problem[s] the Government has still t[o] settle is bow to undertake th[e] wbole scheme, as well as bow to finance it. Out of the esti[-]mated long-term cost of perhaps as much as £1,000m., th[e] Britisb Airports Authority alon[e] reckons that it will have to fin[d] some £150m. for terminal buildings, aproos, runways and ancillary services such as runwa[y] lighting, hefore the first aircraf[t] ever pays a landing fee.

This "front-end loading" o[f] the capital cost of the airpor[t] will cost the Airpnrts Authorit[y] dearly in interest payment[s] hefore it can earn revenue fron the third airport, which is wh[y] it is seeking to build up bi[g] profits now from its existin[g] airports.

It is at this stage that th[e] concept of private capital in[-]volvement in the whole ventur[e] hecomes significant. As yet, n[o] Governmeot decision has heen taken but there are the tw[o] coosortia of companies, Thame[s] Estuary Development Compan[y] (wbich has now formed a new company, Maplin Development) and Thames Aeroport Group which could form the basis o[f] private capital injection into the scheme, quite apart from being able to undertake the actual construction work.

The other hig question is overall control. There are soma objections to the whole scheme being run by a committee of civil servants. One way out might be to take the day-to-day development work out of Whitehall, and put it into the hands of a specially-created "Foulness/Maplin Planning and Development Corporation," which would be directly subject to the Department of the Environment and to Parliament.

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## Labour News

# Coventry tool men stop again to-day

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

THOUSANDS of workers in Coventry are expected to absent themselves from the general return to work to-day in the Midlands of the motor and engineering industries, which have just finished a third week's holiday.

It will the third Monday strike by soma 7,000 Coventry tool-room workers who are trying to get reinstated a wartime rate-fixing agreement related to the average earnings of skilled production workers. This has become a guideline for other motor industry centres pressing for wages parity—and in Coventry even for bus drivers. In cancelling the agreement last month the local Engineering Employers' Association told the Amalgamated Union of Engineering Workers it thought it irrelevant and inflationary.

The Monday strikes have cost the motor industry thousands of vehicles and this Monday Triumph, Jaguar and Alvis (all in the British Leyland group), and Chrysler expect productioo to be severely curtailed again, with some thousands laid off.

### Closer estimate

The employers' association has mado a check on the impact of the strikes on about 20 major coocerns, such as Rolls-Royce, Alfred Herbert, and Massey-Ferguson, besides the motor manufacturers. This shows more than 4,000 employees on strike (about 1,100 at Rolls-Royce aero aogine division alone) with more than 10,000 laid off, although the picture at that time was complicated by internal disputes and strikes.

A much closer estimate is probahly provided by the latest unemployment figures for the city, wbich shows more than 21,500 men temporarily stopped at the time this month's connt was taken. This, incidentally, helped to push the unemployed percentage to nearly 14. Since the tool-room shop stewards are not meeting again until early next month, there is the prospect of at least another two Monday strikes, and since these are supported by contributions of around £4,000 a week, they may be continued. Their effect is not likely to change from Monday to Monday.

Meanwhile, with the heavy and specialist engineering companies in the fonndry, macbine tool and allied Industries still awaiting the hoped-for resurge in demand, unemployment in Coventry seems likely to grow.

Ona of the most recent companies to announce redundancies is Sterling Metals, a memher of the foundry division of Birmid Qnalcast, which handed notices to 116 a week ago. Thia is part of a rundown the group is making because of falling orders from the tractor, commercial vehicle and other Industries, together with the non-renewal of export contracts caocelled or reduced hecause of uoreliahility of supplies caused through recent strikes.

The group is engaged in redundancy talks with the unions. No figures bave been mentioned, hut they are likely to be small in relation to the 8,000 the group employs in the Midlands.

# UCS chief unlikely to accept subordinate post at Govan

BY ANDREW HARGRAVE, SCOTTISH CORRESPONDENT GLASGOW, Sept. 26.

MR. KENNETH DOUGLAS, managing director of Upper Clyde Shipbuilders, now in liquidation, will, I understand, refuse to serve in any suhordinate executive joh at the new Governmeot-sponsored Govan Shiphuilders. Back from bis bollday, Mr. Douglas will be seeing Mr. Archibald Gilchrist, cbief executive of Govan Sbipbuilders, to-morrow.

Sbould he he offered a seat on the Board of the oew company, Mr. Douglas may accept, though only oo a part-time hasis.

He will not, however, coosider serving under Mr. Gilchrist as a production director, personnel director or technical director. Mr. Douglas, now aged 50, has held the positinn of managing director for 17 years in turn at William Gray, Hartlepool; Austin and Pickersgill, Sunderland; and now UCS.

When in Glasgow last waek, Mr. John Davies, Secretary for Trada and Industry, said he had been assured by Mr. Douglas about his willingness to assist with the planning of the future operations of the new company. Mr. Douglas bas, in fact, giveo a similar undertakine to Mr. Rohert Smith, the UCS liquidator.

But at the interview with Mr. Davies—which took place early this month hefore going on holiday—Mr. Douglas is also uoderstood to bave told the Minister that he woold not accept what amonnted to a demotion in the eovironment where he had heen operating as chief executive.

Mr. Douglas's decision, if confirmed, would not be unexpected in view of his strong criticism of tha Government's handling of the Upper Clyde situation as printed in an interview in a recent hroadsheet puhlished hy the UCS shop stewards.

Oo tbe other band, Mr. Hugb Stenhouse, cbalrman of Govan Shipbuilders, has made no secret of his desire to enlist Mr. Douglas's services. Aod it is known that both be and Mr. Gilchrist would prefer to have his active belp beyond the end of tbe year which, I understand, is Mr. Douglas's deadiine for giving up full-time duties on the Upper Clyde.

### Urgent tasks

The renegotiation of contracts for at least some of the 14 ships which lapsed with the liquidation of UCS is one of the most urgent tasks facing Mr. Gilcbrist, apart from securing co-operation from tbe unions.

There already is an empty herth at the Govan yard, tbe only shiphuilding unit in the proposed new company (Llothouse, the other unit, is far steel fabrication only), with another becoming empty within tbe next few weeks when a Reardon-Smith bulk carrier is launched.

The owners are reluctant to raise the prices of ships. With the initial deposits lost as a result of liquidation, and in the present depressed state of tbe freight market, Mr. Gilcbrist haa an unenviahle joh in negotiating new prices which will ensure a profit.

A crucial meeting which may determine union co-operation in tbe oew venture will take place on Wednesday when Mr. Stenhouse and Mr. Gilchrist meet Mr. Dao McGarvey, president of the Boilermakers Amalgamation (and also chairman of the shipbuildine section of the Confederation of Shiphuilding and Engineering Unions). Mr. Jack Service, general secretary of the Confederation and local officials.

Interest in Clydehank, now that Mr. Archibald Kelly, a Clydeside industrialist, has withdrawn, is now confined to Breaksea Tank-ships, a Houston, Texas, group operating from Brussels headquarters.

### SUDAN SHIPPING LINE STEPS UP MERSEY SERVICE

The Sudan Shipping Line is increasing the frequency of its services from Liverpool to Red Sea ports to a sailing every 18 days, with the addition of two ships to the fleet next month.

The first of these vessels, the Maridi, is expected in Liverpool on October 5 and her sister ship Shendl will follow later in the month. They will serve Port Sudan, Hodeldah and Mokha from Liverpool

# Graduates' long-term job outlook 'not so bad'

THE LONG-TERM jobs market for graduates appears to be less black than it bas been painted, according to Cornmarket Press.

The company's Directory of Opportunities for Graduates in 1972, published to-day, forecasts that there will he nearly 20,000 jobs for graduates next summer with more than 500 employers.

"The Inclusion of 40 new employers io the Directory," Cornmarket Press commeots, "sbows that although there may be a shortage of plum jobs—caused oot so mucb by a decrease in jobs, but by an increase io graduates—there is a continulng and steady growth in the overall number of opportunities."

# Unions battle to recruit white-collar workers

BY ROY ROGERS, LABOUR STAFF

THE SCRAMBLE to recruit the many non-unionised white-collar workers in the City of London and other major centres has been joined in earnest by the National Union of Bank Employees and the Association of Scientific, Technical and Managament Staffs.

NUBE claims that in the first three weeks of a new recruiting campaign it has realised 1,500 new members in clearing banks alone. The campaign has a further week to run before emphasis is switched to Birmingham, Liverpool, Sheffield, Manchester, Leeds and Bristol.

NUBE is using 10 temporary recruiting staff—mainly industrial relations students—who are approaching City staff at work explaining how NUBE can help them and helping to fill in membership application forms. The banking gains are important for NUBE because it and the bank staff associations negotiate jointly for clearing banks' staff and their voting strength on the joint body, the Banking Staffs Council, is determined hy their respective membership levels. The staff associations taken together currently have a slight majority over NUBE, which is hoping to reverse this position through its campaign.

Apart from its continuing membership battle with the staff associations, NUBE is coming which realised some 3,500 new members from its City campaign launched in April.

Mr. Clive Jenkins, ASTMS general secretary, says that membership applications are still coming in at the rate of about 800 a month as a result of that campaign, which took the form of advertisements placed at commuter rail stations and in London evening papers. In addition, a certain amount of spin-off had been felt in the light engineering industry in the London area where membership applications had also increased considerably.

By amalgamation and recruiting, ASTMS has boosted its insurance section from nothing to about 40,000 in tha past 14 months, and plans are being drawn up for a further initiative at those large insurance groups still resisting ASTMS.

### Building societies

ASTMS and NUBE (which rejected a merger offer from ASTMS a few months ago), are in direct competition in the building societies which are still almost completely un-unionised. In addition, ASTMS is keen to make a breakthrough into banking, and NUBE would dearly like a foothold in insurance, a position which has already led to accusatioos of

# Mrs. Castle attacks expulsion of Russians

BY ANDREW HARGRAVE GLASGOW, Sept. 26.

LEADING Labour anti-Marketeers see, in tha mass expulsion of Soviet officials accused of spying, sinister undertones of a new cold war, with an enlarged European Ecooomic Community playing a part in it.

"Why this sudden purge of Soviet diplomats?" asked Mrs. Barbara Castle at an anti-Common Market rally here to-day. "Why put East-West relations—and a visit by Sir Alec Douglas-Home—into jeopardy?"

Her answer: "This is the last desperate fling of anti-Communist prejudice in this country to help the pro-Marketeers."

Waving a Sunday newspaper cutting which suggested that Soviet officials also tried to influence British politicians, trade unionists and generals against Common Market entry, Mrs. Castle referred scathingly to Labour colleagues who argued in favour of entry on the ground of its internationalism. "Doesn't this smear make tha whola international pretensions of the Marketeers stink?

"What effect will this beating of the old McCarthyite drum have on tha delicate negotiations whicb Willy Brandt (German Chancellor) is having to promote rapprochement between East and West?" She went on: "What effect will it have on the effort on a European security conference and pact?"

Mrs. Castle thought the present Government's action would "turn the clock back." Referring to the Prime Minister's recent statement about the role of NATO in an enlarged European Community—"closely integrated defence pacts, with nuclear arms, to make us independent from America," according to Mrs. Castle—this was a "recipe for reopening the cold war," loading to a "division of the world and of Europe, in the name of European unity."

Mrs. Judith Hart, another Labour Froot Bench spokesman, described the expulsion of the officials as a "typical failure to comprehend the realities of politics, the kind of political forces that operate in tho world to-day.

"The Tory Government seems determined to recreate the cold war, looking for Communists under tbe bed—and in all sorts of unexpectad places."

Mr. William Ross, former Scottish Secretary, said he had been sceptical of Comoo Market entry right from the start but conscious of joint Cabinet responsibility (he was a mamber of the Labour Cabinet between 1964-70) he refused to "speak out of turn" until the terms were known. Now that they were known, he ...

# COMPANY NEWS + COMMENT

## Imry sees further profit increase

MR. A. LEE, chairman of Imry Property Holdings, says that the company has continued to concentrate on building up high-grade developments very largely in the office sector which should, as rent revisions occur and leases fall for renewal, continue to increase profits and the value of the portfolio.

A table in the directors' report sets out the "very substantial increases" in the value of the reversions which the directors estimate will accrue to the company over a period of years, and clearly indicates the size of the benefits which the company should obtain as a result of this policy.

Having sought professional advice, they consider that, excluding the value of the current development programme, the estimated increases in annual rents arising from reversions on the expiration of current leases and the operation of rent reviews are as follows:—Between 1971 and 1975 £128,000; between 1976 and 1980 £278,000; between 1981 and 1985 £220,000; between 1986 and 1988 £243,000; and 1997 £618,000.

The chairman feels he should restate that these increases are based upon the current level of rental values and it would be too speculative to estimate what further increases might occur over the next 30 years.

Total cost of developments in hand and due to commence by 1973, where all consents have been obtained, will involve an expenditure of £1,500,000. The company continues to acquire, as opportunities arise, additional sites and properties for future development.

In continuance of the group's policy of financing its development programme by long-term borrowings at fixed rates, a debenture of £700,000 was raised during the year from Norwich Union Life Insurance Society at 10¼ per cent. Since March 31 a further £500,000 has been arranged at 10¼ per cent.

In the year ended March 31, 1971, group profit, before tax, improved from £321,869 to £339,129. As reported September 3 the dividend is unchanged at 13 per cent.

At March 31 group properties appeared as £11.63m. (£10.44m.) and mortgages totalled £7.24m. (£5.57m.).

Meeting, Connaught Rooms, W.C., October 19 at noon.

### ● comment

Imry Property's 5½ per cent. gain at pre-tax level in 1970-71 in fact becomes a small reverse if the non-recurring dealing profits are excluded. However, the shares have risen by 7 per cent. since the preliminary statement and are currently standing at a 1971 peak of 235p. The annual accounts show that while the return on developments seems unlikely to hold much excitement the rise in rental income could be significant. Projections are given as far ahead as the end of 1997, but in the next four years (to end-1975) a gain equivalent to 11 per cent. compound per annum is anticipated and from then until the end of 1980 a rate of 13 per cent. compound. The 12½ per cent. premium in the share price on net asset value is explained by the likelihood of a further surplus since the last directors' valuation since 1968.

**To bring readers up-to-date with the events of the past week we publish to-day on pages 30, 31 and 32 *summaries of the main company announcements* which would normally have appeared under Company News and Comment on the four days on which the Financial Times did not appear.**

**Announcements made at the week-end appear as usual on this page and page 29.**

## Kangol indicates profit rise

INDICATIONS ARE that profit, before tax, of Kangol for the current year will exceed the £311,971 for 1970, the directors state.

First half profit expanded from £105,169 to £130,012—a larger increase than was expected.

| | Half year 1971 £ | 1970 £ |
|---|---|---|
| Headwear turnover | 802,581 | 794,436 |
| Safety belts | 1,439,647 | 1,164,006 |
| Total turnover | 2,242,228 | 1,958,442 |
| Headwear profit | 58,389 | 52,297 |
| Safety belt | 71,623 | 52,872 |
| Total profit | 130,012 | 105,169 |
| Taxation | 49,915 | 33,429 |
| Net profit | 80,097 | 68,740 |
| Minorities | 7,638 | 16,032 |
| Attributable | 72,459 | 55,688 |

## Union Intnl. setback

Group pre-tax profit of the Union International Company contracted sharply to £3,820,789 in 1970 compared with the previous year's record £6,864,610. The dividend is maintained at 10 per cent.

The main reason for the reduced profit is the heavy losses incurred by the subsidiary, S. A. Frigorifico Anglo owing to the adverse conditions in the meat trade in the Argentine. Its operations there have been suspended, says chairman, Mr. H. M. Synge.

As to the current year he does not anticipate a significant improvement on the 1970 results owing to the still difficult position in the Argentine, but steps are being taken to rectify this position. However, "a considerable improvement" is expected in 1972.

| | 1970 £ | 1969 £ |
|---|---|---|
| Group turnover | 325,300,000 | 305,700,000 |
| Surplus | 11,547,368 | 15,180,189 |
| Fixed assets disposals | 1,635,499 | 440,777 |
| Investments income | 91,703 | 314,387 |
| Depreciation | 3,216,898 | 2,531,068 |
| Interest payable | 5,041,847 | 4,470,721 |
| SET | 865,043 | 776,113 |
| Contingent provisions | 308,214 | 972,901 |
| Profit before tax | 3,820,789 | 6,864,610 |
| Overseas tax | 1,304,933 | 2,772,600 |
| Corporation tax | 14,667 | 2,234,210 |
| Double tax relief | — | 2,332,500 |
| Tax credits | 113,791 | 2,079 |
| *Net balance* | 2,614,370 | 4,083,212 |
| Capital reserves | 414,308 | 704,428 |
| General reserves | 1,152,745 | 431,128 |
| Dividends | 320,000 | 320,000 |
| Forward | 9,811,688 | 9,584,172 |

*Exchange surplus of £69,728 (£348,216)* on conversion of foreign currency assets, liabilities and provisions has been dealt with in general reserves.

## Wilson Connolly upsurge

HOUSING estate builders and developers Wilson (Connolly) Holdings has increased its profit from £66,651 to £198,726 for the half-year to June 30, 1971.

The trading profit was £56,044, compared to a loss of £18,953, and profit on sale of undeveloped land rose from £5,103 to £64,583.

| | First Half 1971 £ | 1970 £ |
|---|---|---|
| Turnover | 1,498,000 | 1,533,000 |
| Gross rents | 118,000 | 112,000 |
| Profit before tax | 198,726 | 66,651 |
| Trading profit | 56,044 | *18,953 |
| Land sale | 64,583 | 5,103 |
| Net rents | 78,099 | 71,204 |
| Asset sale | — | 9,397 |
| Taxation | 79,000 | 33,500 |
| Net profit | 119,726 | 33,151 |

* Loss.

An unchanged 10 per cent. interim dividend is declared—the 1970 final was 15 per cent.

## Universal Underwear progress

CURRENT YEAR profit of Universal Underwear is expected to show a "further satisfactory increase," says chairman, Mr. J. L. Turner.

In its first year to May 1, 1971, as a public company group pre-tax profit was £151,246 and the dividend 27½ per cent., against the prospectus forecast of £130,000 and 25 per cent.

Sales for the first 20 weeks of the current year are up 21 per cent., the order book is full and the Wrexham and Ripley factories are working to full capacity.

Production from a third factory, recently opened in Worcestershire, has started to come through satisfactorily, the chairman adds.

Meeting, Winchester House, E.C., October 20 at 3 p.m.

### ● comment

Universal Underwear certainly timed its flotation right. After three years on an earnings plateau, pre-tax profits for 1970-71 were up by over 2¼ times while the prospectus forecast was exceeded by 16 per cent. What is more, UU looks destined for further growth in the current year. If the sales growth after 20 weeks can be translated into profits, assuming of course unchanged margins, the group is heading for a pre-tax figure of near £180,000 for 1971-72. This leaves the shares at 59p on a p/e of 9.6—dropping to a possible prospective multiple of around 8—looking a shade behind events.

## Nigerian Electricity

Nigerian Electricity Supply Corporation's returns for the current year to date show a decline of 19 per cent. compared with the same period last year, due to a 9 per cent. drop in electricity consumed on the minefields and increased costs due to the interim Adebo Commission.

Prospects for the remainder of the year depend largely upon the extent of activity of mining consumers. However, bulk sales to the Electricity Corporation of Nigeria at Jos have increased and there is good reason to suppose that this trend will continue, says chairman Sir Miles Clifford.

Regarding payments from Nigeria Sir Miles is of the opinion that as that country gets back to its feet and the yield of foreign exchange from increasing oil exploitation improves, the flow of remittances will be stepped up. But he stresses that the process will be slow.

As reported on September 15 group pre-tax profit for the year to February 28, 1971, was £320,461 (£365,512).

Meeting, Management House, Parker Street, W.C., October 19, noon.

## DIVIDENDS ANNOUNCED

| | Current payment % | Date of payment | Corresponding div. % | Total for year % | Total last year % |
|---|---|---|---|---|---|
| Union International | 10 | — | 10 | 10 | 10 |

## FT Share Information Service

The following securities have been added to the Share Information Service appearing in the Financial Times.

Allied Polymer Group (Section: Industrials (Misc.))

Cannon Street 9¾ per cent. Partly Convertible Unsecured Loan Stock (Section: Investment Trusts).

City and Overseas Trust (Section: Investment Trusts).

Kettering Motor Service (Section: Motor-Components).

Lawdon (Section: Property).

McIntyre and Sons (Section: Industrials (Misc.)).

Levi Strauss and Co. (Section: Overseas-New York-Industrials).

## Heywood Williams

The Heywood Williams Group has started the current year with a satisfactory order taking situation and trading results to date are ahead of those for the similar period last year, says chairman, Mr. B. R. Scholes.

The private industrial sector of the building industry in the U.K. remains sluggish, he points out, but the market for offices, schools, and hospitals continues to expand.

In South Africa, the rapid progress made by the group subsidiaries over the past two years continues and the forward order book is encouraging, he reports.

As reported on August 19, group profit, before tax, for the year ended May 2, 1971, was £216,480 compared with a loss of £215,087. There is, again, no dividend.

All available cash resources are required to finance increasing turnover in both the U.K. and South Africa. The chairman is confident that the benefit of this action "will be felt in the not too distant future."

Meeting, Park Lane Hotel, W., October 19, at 12.30 p.m.

## Southerns-Evans goes ahead

CHAIRMAN of Southerns-Evans, Mr. S. Oxford, tells members there is an encouraging start to the year and it is hoped to maintain the dividend on increased capital.

Figures for the first quarter show an increase in turnover and profits compared with the same period last year.

Following integration and the period of consolidation, the group is in "fine shape" and, given continuance of the present level of industrial activity and a curb on the present high rate of inflation, the chairman is confident that the group will give a good account of itself and continue to improve.

As reported on August 18, group profit, before tax, for the year ended April 30, 1971, rose from £957,114 to £1,104,036. The dividend is held at 20 per cent., and a one-for-ten scrip issue is proposed.

The chairman says the profit rise reflects an improvement in efficiency and budgetary control throughout a year when the hardest job was trying to contain costs in the face of rapid inflation.

The group trades in timber, sheet materials, and doors/joinery. Meeting, Manchester, October 28, at noon.

## BIDS AND DEALS

### £0.4M. HANSON PROPERTY DEAL

City and St. James's, the 51 per cent.-owned Hanson Trust property subsidiary, has this month completed the sale of the freehold of 23-33 Chesham Street, Belgravia, S.W.1, for £415,000 cash. Messrs. W. A. Ellis acted for City and St. James's and Mr. Andrew Langton of Aylesford and Co. for the purchasers.

### HOLLAS

Acting as advisers to the outside shareholders in Hollas Textile Holdings, brokers Laurence Prust and Co. say the formal offer by Mr. A. R. Lawson is fair and reasonable in value.

However, until terms have been formulated for proposed acquisitions by Hollas, and until detailed information is available regarding capital structure, assets, profits and prospects of the enlarged group, it is not possible for them to give an opinion as to whether holders should take the cash offer or retain their Hollas shares.

Closing date for the offer is October 18 and it will not be extended beyond that date. The acquisitions Hollas intends to make are Alexander Lawson and Co. and R. C. Dent and Son (Synthetics), both private textile companies.

### SETTLE SPEAKMAN

The Board of Settle Speakman has now decided it should recommend uncommitted holders to accept the offer from Eastern and General Holdings. They still consider the offer is too low, but since E & G now has control of 75 per cent. of the equity, they do not feel they can recommend holders to stay in as a minority.

Arrangements have been made whereby until October 12 E & G shares acquired as a result of the offer may be disposed of through the market to realise a net cash sum equivalent to not less than 280p per £1 stock unit of Settle Speakman. The Settle Speakman directors intend to sell the E & G shares received in this way.

### GAILEY GROUP

In connection with the disposal by Gailey Group on September 16, 1971, of 2.7m. Ordinary shares in Thomas Poole and Gladstone China, it is announced that net proceeds of the disposal was approximately £125,000. Book cost of the shares sold was £70,000. No dividends have been paid on the shares during the time they were held by Gailey.

Proceeds are being used partly to finance the announced acquisition of Hants and Dorset Caravan Services and partly against short term borrowing.

### HAYNES FORD

The offer on behalf of J. and H. B. Jackson for Haynes Ford and Elliott has been accepted in respect of 2,343,725 shares, and has become unconditional. It will remain open until further notice.

Jackson now holds 96.75 per cent. of Haynes Ford capital.

### REEVES & SONS

Samuel Montagu, advisers to Heenan Beddow in its bid for Reeves and Sons, has sent a letter to Reeves's holders answering points made by Mr. Christopher Simmons, acting managing director of Reeves, who has dissociated himself from the acceptance recommendation made by the rest of his Board.

They say that Mr. G. Shiells, managing director of Reeves for the five years to August this year, has authorised Heenan Beddow to state that in his opinion the offer is fair and reasonable.

### BLAND WELCH IN FRANCE

Heads of agreement have been reached between Bland Welch and Co. and Monsieur Raymond Juthеau with a view to sharing certain of their insurance broking interests in France. A French holding company is to be formed between them—Monsieur Jutheau will assume the presidency and hold the majority of shares.

The company's assets will include *Comptoir Générale d'Assurances*, French subsidiary Bland Welch and Co., as well as shares ance and in the Société du Cabinet Alfred Stevens, companies belonging to the Groupe Jutheau.

### HOWARD FARROW EXPANSION

Howard Farrow Construction, building and civil engineering contractors, a subsidiary of ICI, has agreed that it should acquire the shares of F. Rendell and Sons, of Devizes.

The link up will give additional strength to both organisations by fuller employment of assets, a sharing of common services and know-how, it is stated. Completion date for the transfer has been arranged for September 30, 1971.

### TI-NEWALL

The formal offer from Tube Investments for Newall Machine Tool has now been sent to shareholders of Newall by Schroder Wagg. The offer for the equity is in Convertible loan stock and has not won the approval of the Newall Board.

In a letter to Newall holders the TI chairman, Lord Plowden, says the market value of the offer is equivalent to 11 per cent. more than the market value of the Newall Ordinary immediately prior to the offer, and that the annual income on the convertible would be higher than the dividends paid by Newall over the last two years.

### USH GETS AVIMO

The United Scientific Holdings bid to acquire the 627,292 outstanding *Avimo Ordinary* shares has been accepted in respect of 614,764 (43.9 per cent.). With the 772,708 already owned, the total now held by USH amounts to 1,387,472 shares (99.1 per cent.).

The USH offer will remain open until further notice, but the cash offer made by Edward Bates and Sons closed on September 10.

### SCOTTISH INTNL.

Offers made on behalf of Direct Spanish Telegraph for Scottish International Trust have been declared unconditional and remain open until further notice.

Acceptances have been received in respect of 2,306,058 Ordinary units (82.3 per cent.) and 280,161 5 per cent. Preference (93.3 per cent.), including 37,624 Ordinary units from holders who accepted the cash offer which has now closed.

### VANGUARD PLANT

Acceptances of Harvey Plant Holdings offer for Vanguard Plant have now been received in respect of 1,705,211 shares (over 85 per cent.).

As announced the offer has become unconditional—it will remain open until further notice.

### NO PROBE

On present information it is not the intention to refer to the Monopolies Commission the proposed merger between Reed International and Twyford Holdings.

## ISSUE NEWS AND COMMENT

## Empress Services offer at 14p

Lists open on Thursday, September 30, for the offer for sale by J. F. Nash and Partners of 2m. Ordinary 10p shares in Empress Services (Holdings) at 14p per share.

The principal activity of Empress is the cleaning of industrial, commercial and office premises. Its operations cover mainly London, the Home Counties, East Midlands and North-West England. The majority of these activities are carried out under monthly contracts.

Turnover of the company has risen from £378,000 in 1966-67 to £1.42m. in 1970-71. Pre-tax profits over the same period have advanced from £25,000 to £97,000.

For the current year ending March 31, 1972, pre-tax profits of not less than £140,000 are forecast. On the basis of this forecast the directors intend to pay dividends totalling 10 per cent. At the offer price the dividend yield would be 7.14 per cent., covered 1.16 times, and the p/e 12.

Following the completion of the offer for sale the directors will be interested in 60 per cent. of the equity. Brokers to the issue are Greene and Co.

### ● comment

Empress Services' drive from the *smaller* to *medium size* league has not been made without a price. Margins have dropped by more than 50 per cent. to 6.8 per cent. over the last four years, presumably reflecting the taking of less profitable business to get a foothold in a new area. Empress is now aiming to go one step further by branching into the Midlands and the North of England. Pritchard Cleaners (aided by the acquisition of Affiliated Cleaners) appears to be the only quoted company that has made the transitional step successfully but ICC's figures for 1970-71 explain only too well what troubles that company encountered in its efforts to move up the ladder. While then there is no doubting the potential of the industrial cleaning field there is no shortage of competition. It is fair to say, though, that Empress's profits record contains no blemishes and a sizeable jump is forecast for the current year which drops the p/e from 17.3 historic to 12. But with Pritchard and ICC on historic multiples of 15 and 19 respectively much is discounted in Empress's rating.

### CONSD. EDISON CO.

The $150m. First and Refunding Mortgage Bonds 7.90 per cent. Series JJ, due September 1, 2001, in Consolidated Edison Company of New York, have all been sold. The underwriting group was headed by Merrill Lynch Pierce Fenner and Smith, The First Boston Corporation and Kidder, Peabody and Co.

### UGINE KUHLMAN

Arrangements have been made for the issue of Frs.50m. 8 per cent. Bearer Bonds 1971-78 in Ugine Kuhlman. The underwriting group was headed by Credit Commerciale de France, Morgan et Cie International, Banque de Bruxelles and Lazard Freres et Cie.

### VETCO OFFSHORE INDUSTRIES

The 400,000 shares of Common stock in Vetco Offshore Industries have all been sold. The issue was underwritten by a group headed by Dean Witter and Co. and Shearson, Hammill and Co.

### JO'BURG LOAN

The DM80m. Bearer Bonds of the 8 per cent. Deutschemark Loan of 1971 for City of Johannesburg have now been sold. The bonds which were unconditionally guaranteed by the Republic of South Africa were issued through an underwriting group headed by Berliner Handels-Gesellschaft Frankfurter Bank, Credit Commerciale De France, Deutsche Bank, Dresdner Bank and White Weld and Co.

### I.C.I. INT. FINANCE

Arrangements have been completed for the issue of DM100m. 8 per cent. Bearer Bonds of 1971-86 in ICI International Finance at par. The bonds which are unconditionally guaranteed by the parent company were underwritten by a group headed by Dresdner Bank, Berliner Handelschaft Frankfurter Bank and Deutsche Bank.

### BIC PEN CORP.

The 655,000 Common shares in Bic Pen Corporation have now been sold. The issue was underwritten by a group headed by White Weld and Co., and SoGen International Corporation.

### MARAWAN

The formal offer for Marawan (Java) Rubber Plantations from Cluff and Co. has now gone out and closes on October 15. Cluff states, if the offer goes unconditional, it will continue the Marawan business and will endeavour to maintain the Marawan quotation by placing an appropriate number of shares with investment clients of Myers and Co.

## 8% stock from Birmingham

Arrangements have been completed for the issue by City of Birmingham of £10m. 8 per cent. Redeemable Stock 1979-81 at par.

The stock is payable as to £10 per cent. on application with calls of £20 per cent. due on October 27, £30 per cent. on December 8 and £40 per cent. on January 12, 1972. Interest is payable half-yearly with a first payment of £2.5512 per cent. due on April 1, 1972.

Proceeds of the issue will be used to: replace the maturing 2½ per cent. Redeemable stock; in replacing moneys borrowed temporarily pending this issue; and in redeeming, repaying or purchasing for extinction any authorised security of the corporation.

Brokers to the issue are R. Nivison and Co. in London and Murray and Co. in Birmingham. Lists open on Wednesday, September 29.

### ● comment

The Birmingham Stock looks to have something in hand over other recent 8 per cent. Corporation issues, Northampton and Nottingham. With the latter currently on a premium of 1¼ points (issued at 99 per cent.) and given the present firm state of the gilt market a premium of between ½ and ¾ point looks on the cards for Birmingham.

## UNIT TRUSTS

### ROBERT SILK BOND OFFER

Property Equity and Life Assurance is offering units in the Robert Silk Property Bond for minimum investment of £200. Units will be allocated at the price current upon receipt of the application.

A withdrawal scheme at 7 per cent. per annum is available for sums exceeding £1,000.

### ● comment

The Robert Silk Property Bond which was launched ten months ago with just under £200,000 from the Silk family, now stands at between £350,000 and £400,000. The bond is clearly selling on the property expertise of its founder and the appreciation to date—over 10 per cent.—mainly, it is understood, thanks to one property now sold (the portfolio currently contains four properties). Whether this sort of performance can be maintained remains to be seen, however, and otherwise there are no distinguishing features to separate this plan from the competition.

### EBOR CAPITAL REPORT

Ebor Capital Accumulator Fund offer price rose by 104.4 per cent. (with net income reinvested) between its launch in September 1964, and August 5 this year. According to the managers' annual report to unitholders, the FT Actuaries All Share Index rose by only 61.2 per cent. in the same period.

Units in Ebor General Fund are on offer at 54p each until October 1 and the estimated gross commencing yield is £2.75 per cent. For investors who wish to save regularly, the Ebor Accumulation Plan linked to the Fund is also available.

### S & P I-TU

Save and Prosper is making an offer of units in three of its trusts, I-TU, High-Yield, and General. At 27.3p each, units in I-TU give an estimated gross commencing yield of £2.00 per cent. per annum and at 42.0p each, High-Yield Units have a gross starting yield of per cent. General Units are on offer at 41.7p each, yielding per cent. All three offers close on or before October 1.

# Pending dividends timetable

For the convenience of readers, the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming Board meetings (indicated thus*) have been officially published. It should be emphasised that the dividends to be declared will not necessarily be at the amounts or rates per cent. shown in the column headed "Announcement last year." Preliminary profit figures usually accompany final dividend announcements.

| | Date | Announcement last year |
|---|---|---|
| Allied Suppliers | Oct. 20 | Int. 5% |
| Amey Group | Oct. 24 | Int. 4% |
| *BBA Group | Sept. 29 | Int. 6% |
| BTR Leyland | Sept. 10 | Int. 7½% |
| Babcock and Wilcox | Oct. 21 | Int. 4½% |
| *Baird (Wm.) | Oct. 29 | Int. 4% |
| Beaverbrook Newspapers | Oct. 18 | Final 9% |
| *Booker McConnell | Sept. 30 | Int. 3% |
| Bowthorpe Hldgs. | Oct. 19 | Int. 8½% |
| *Bristol St. Group | Oct. 4 | Int. 18% |
| *Brit. Home Stores | Oct. 14 | Int. 10% § |
| Brit. Land | Sept. 11 | Final 8% indicated |
| *Brit. Rollmkrs. | Oct. 1 | Int. 4½% |
| *Bunzl Pulp and Paper | Oct. 6 | Int. 8½% |
| *Burmah Oil | Oct. 7 | Int. 6½% |
| Butlin's | Oct. 21 | Int. 15% |
| Caveuham | Oct. 21 | Int. 4% |
| *Clarke Chapman | Sept. 30 | Int. 8% |
| Cliva Hldgs. | Oct. 22 | Int. 8½% |
| *Cohen (George) 600 Grp. | Nov. 24 | Int. 5% |
| *Cons. Gold Flds. | Oct. 12 | Final 17½% |
| Costain (R.) | Sept. 22 | Int. 9% † |
| *Courage | Oct. 5 | Int. 5% |
| *Dalgety | Oct. 7 | Final 8% |
| Debenhams | Oct. 28 | Int. 7½% |
| *Delta Metal | Sept. 30 | Int. 7% |
| *Dickinson Robinson Gp. | Sept. 28 | Int. 10% |
| *Doulton & Co. | Sept. 29 | Int. 4% |
| *Dunlop | Oct. 28 | Int. 6½% |
| *Duport | Oct. 18 | Int. due |
| Eagle Star | Oct. 22 | Int. 10% |
| *EMI | Oct. 7 | Final due |
| Empire Stores | Oct. 12 | Int. 6½% |
| *English Calico | Sept. 27 | Int. 4% |
| Ever Ready (G.B.) | Oct. 24 | Int. 6% |
| Finlay (Jas.) | Oct. 28 | Int. 3½% |
| First Nat. Fin. | Sept. 30 | Int. 15% § |
| Fisons | Sept. 27 | Int. due |
| Freemans (Lon.) | Oct. 30 | Int. 7% |
| Furness Withy | Oct. 29 | Int. 5% |
| Gestetner | Oct. 16 | Int. 5½% |
| Gill and Duffus | Oct. 22 | Int. 13½% |
| Glaxo | Oct. 13 | Final 8% |
| Grattan Whses. | Oct. 7 | Int. 10% |
| Hambros | Oct. 27 | Int. 7½% |
| *Highland Dists. | Oct. 19 | Final 18% |
| Highlands and Lowlands Rbr. | Oct. 14 | Int. 12½% |
| *Howden (A.) | Oct. 1 | Int. 15% § |
| *Intl. Distillers | Sept. 30 | Final 8% |
| *Jacobs (John I.) | Oct. 20 | Int. 7% |
| Kuala Kepong | Oct. 30 | Int. 5% |
| *Lamson Inds. | Sept. 29 | Int. 5% |
| Legal & Gen. | Oct. 5 | Int. 58½% |
| London Brick | Oct. 22 | Int. 6% |
| London Tin | Oct. 28 | Int. 10% |
| Marks & Spncr. | Oct. 5 | Int. 13½% § |
| McKechnie Bros. | Oct. 30 | Final 16½% § |
| Metal Closures | Oct. 15 | Int. 5% |
| Minet Hldgs. | Oct. 28 | Int. 15% § |
| *Morgan Crucible | Sept. 30 | Int. 6% |
| Ocean Steam | Oct. 20 | Int. 14% |
| Pearson (S.) and Son | Oct. 22 | Int. 7½% |
| *Phoenix Assce. | Sept. 29 | Int. 15% |
| Pontin's | Oct. 24 | Int. 6% |
| *Ready Mixed Concrete | Sept. 30 | Int. 9½% |
| Reed Intl. | Oct. 27 | Int. 5% |
| *Reyrolle Parsons | Sept. 30 | Int. 5% |
| *Rockware Grp. | Sept. 29 | Int. 4½% |
| *Rowntree Mackintosh | Sept. 28 | Int. 7½% |
| Sheepbridge Eng. | Oct. 30 | Int. 7% † |
| *Simon Engng. | Sept. 27 | Int. 12½% |
| Spillers | Oct. 22 | Int. 3½% |
| Stone-Platt | Oct. 23 | Int. 4% |
| Straits Rubber | Oct. 30 | Int. 4½% |
| *Tarmac | Oct. 1 | Int. 6½% |
| Telephone Rentals | Oct. 22 | Int. 10% |
| Thomson Org. | Oct. 15 | Int. 10% |
| Tilling (Thos.) | Oct. 8 | Int. 8% |
| Utd. Drapery Stores | Oct. 7 | Int. 8½% indicated |
| *Utd. Nwsppre. | Sept. 28 | Int. 17½% |
| Universal Grinding | Oct. 22 | Int. 8% |
| Ward (T. W.) | Oct. 5 | Final 10% |
| Wolf Group | Oct. 15 | Int. 8% |

* Board meetings intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made from reserves.

## U.S. airlines' cargo ton miles down 3%

Air cargo ton miles flown by the U.S. scheduled airlines on domestic and international services decreased by 3 per cent. in July, according to the Air Transport Association.

During the month, 26 U.S. airlines accounted for 429.2m. ton miles of mail and freight, compared with 442.6m. flown in July, 1970. International revenue ton miles were down 4.4 per cent. to [illegible]0.8m., while domestic cargo was down 2.1 per cent. to 259.4m.

## SURVEY OF HOSPITAL WAITING LISTS

A £20,000 grant has been given to York University so that two economists can survey the methods of making up hospital waiting lists.

Mr. Robin Shannon and Mr. Tony Colyer will investigate criteria used by hospital consultants in assigning people to waiting lists.

The survey is one of a number of collaborations between universities and the Department of Health over ways in which economic analysis may be used to help health service planning.

# Local Authority Investments

LOCAL AUTHORITY loan rates [illegible] a softer tendency over much of the temporary and mortgage [yi]elds last week, a trend which follows that of the previous week. Loans at very short notice, however, have maintained a relatively [fir]m undertone. After rising from 5¾ per cent. on September 10 to 5¾ per cent. early the following [we]ek, the rate on such money [ea]sed away to 5-5¼ per cent. at the beginning of last week, before [har]dening to 5¼-5¾ per cent. for a [ti]me, and closing at 5¼-5¾ per cent. A feature of the market, following the change in banking [ar]rangements on September 16, [ha]s been the participation of [cle]aring banks in various money markets, and it seems that local authorities have received short-term mortgage loans from this source—with the funds possibly having been raised by issues of sterling certificates of deposit.

The Financial Times Government Securities Index rose to 78.78, its highest since September, 1967, from 77.66 on September 17, and 77.13 on September 10.

One-year local authority bonds were placed last week at par, with a coupon of 5¾ per cent., to offer a yield 1/16 per cent. less than that on the previous week's batch. Two year 6¾ per cent. bonds were placed at par, to offer a yield ¼ per cent. less than that on the previous week's issues.

| | |
|---|---|
| [2] days' notice (deposit receipt) | 5¼—5¾ |
| [7] days' notice (deposit receipt) | 5¾—5¾ |
| [..] days' notice after one month (deposit receipt) | 5⅛—5¾ |
| [..] days' notice after three months (deposit receipt) | 5¾—5⅛ |
| [..] days' notice after six months (deposit receipt) | 5¾—5¾ |
| [Mo]rtgage at one month's mutual notice after 11 months | 6⅛—6¾ |
| [Mo]rtgage at one month's lender's notice after 11 months (nominal term 2-5 years) | 5¾—6⅛‡ |
| [..] years' mortgage | 6⅞—6¾ |
| [..] years' mortgage | 7¼—7¾ |
| [..] years' mortgage | 7¾—7¾ |
| [..] years' mortgage | 7¾—7¾ |
| [1]0 years' mortgage | 7¾—8 |
| [2]0 years' mortgage | 8 8¼† |
| 30 years' mortgage | 8 —8¼† |

*Rate (%) September 24, 1971

*Rates are for sums not less than £20,000 and are subject to [sm]all variations and fluctuations. † Nominal. ‡ The shorter nominal [per]iod may carry a higher rate than the longer.



## COMPANY NEWS

# Incledon & Lamberts confident

GIVEN NO further worsening of the industrial climate, Incledon & Lamberts looks to a successful current year and at least maintenance of the 3.75p dividend.

The directors are confident that the growth potential of the business remains high.

The process of expanding the activities of the trading companies at home continues and the group is beginning to see benefits of the reorganisation which was facilitated by the sales of the South African interests for over £2m.

Present indications are that group profit for the half-year to September 30, 1971, will exceed £175,000.

The group makes plastic pressure pipes and fittings, lifting tackle, etc., and also trades as plumbers' merchants.

On the pipes side, substantial investment is being made for production of a complete range of metric-sized fittings. Full benefits will not be seen for several years while the income presently being yielded by surplus funds will be progressively lost. However, the company must take full advantage of the opportunities in Europe, whether or not Britain joins the Common Market.

For the year ended March 31, 1971, turnover was £3.01m. (£2.41m.) and profit £301,769 (£183,747 excluding South African subsidiaries). As stated on September 1 the dividend is held at 3.75p.

In the directors' remuneration is included £7,000 compensation for loss of office in the parent company, and £2,000 compensation for loss of office in a South African company.

Mr. C. S. L. Incledon is not seeking re-election to the Board. Meeting, Winchester House, E.C., October 19 at 2.30 p.m.

## BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's time-table:—

**TO-DAY**

Interims—J. B. Broadley, Croda International, English Calico, Fisons, Hall Thermotank, John Laing, S. Leboff (Fobel), Simon Engineering, Universal Printers, Wettern Bros.

Finals—Campari, Hunt and Moscrop (Middleton).

**FUTURE DATES**

| Interims— | |
|---|---|
| Atlas Electric and General Trust | Oct. 14 |
| Baird (William) | Oct. 29 |
| Beyer Peacock | Oct. 14 |
| Bristol Street Group | Oct. 4 |
| British Home Stores | Oct. 14 |
| Brunlons (Musselburgh) | Oct. 4 |
| Coates Bros. | Oct. 1 |
| Cohen (Geo.) 600 | Nov. 24 |
| Commodore Securities | Oct. 7 |
| Courage | Oct. 5 |
| English and Caledonian Investmt. | Sept. 30 |
| Eucalyptus Pulp Mills | Oct. 22 |
| First National Finance | Sept. 30 |
| G and M Power Plant | Sept. 30 |
| Howden (Alexander) | Oct. 1 |
| Leadenfosh (Boora) | Sept. 28 |
| London and Housing and Com. | Oct. 5 |
| Morris and David Jones | Oct. 12 |
| Rotork Controls | Oct. 4 |
| Scientific and Electronic Inds. | Oct. 21 |
| Selincourt | Oct. 5 |
| Smiths Enterprises (Glamorgan) | Oct. 5 |
| Wimbledon Stadium | Oct. 21 |
| **Finals—** | |
| Brewery and Commercial Inv. T. | Oct. 29 |
| Glenlivet and Glen Grant Dist. | Oct. 5 |
| Linread | Oct. 7 |
| Tilley Lamp | Oct. 1 |
| Western Dooars Tea | Sept. 28 |

# Carroll expects peak year

CURRENT YEAR performance of P. J. Carroll and Co., Dublin based cigarette and tobacco manufacturers, has so far been "most satisfactory," and chairman, Mr. D. S. A. Carroll feels confident the full result should be even better than the 1970-71 record.

Over the year costs will certainly continue to rise and the chairman feels that prices will have to be raised in the not too distant future.

However, sales trends seem to be "set fair"; the group is well placed in growth sector of the market—filter tipped cigarettes—and particularly in the middle and upper price segments.

In the year ended June 30, 1971, group profit, before tax, improved from £1.75m. to £1.87m. As reported August 20, the dividend is raised by 3 per cent. to 20 per cent.

Compared with the industry's performance—total cigarette sales down almost 2 per cent.—Carroll has "done well," says the chairman. Cumulative sales for 1970-71 were higher by 1½ per cent., made up of a 4½ per cent. first half rise and a fall of just over 1 per cent. in the second six months.

On October 1, Mr. D. Ryan takes over from Mr. Carroll as managing director. Mr. Carroll will continue as non-executive chairman.

Meeting, Dundalk, October 15, at 11 a.m.

## Southern Kinta

Southern Kinta Consolidated is maintaining its dividend at 9.375p per 10p share for the year to March 31, 1971 with a final of 5.625p.

Profit decreased from £1,253,406 to £1,198,900. Tax takes £552,000 (£568,000) leaving a net profit of £646,900 (£685,406).

## LAND & HOUSE

Land and House Property, which made reference in its interim report to a development at Leicester in conjunction with Frincon Holdings, now says that since then the scope of the development has been enlarged and the total sum is likely to be £3.5m. Likely date of completion is the end of 1973.

# W. G. Allen hopeful of advance

THE DIRECTORS of engineers, W. G. Allen and Sons (Tipton), are hopeful that the current year's net profit available for appropriation "could well show a further satisfactory improvement," says chairman, Mr. J. H. Plant.

Provisional accounts for the first quarter show all manufacturing companies in the group now running at a profit, he adds.

Mr. Plant stresses, however, that present trading conditions are far from easy and inflationary tendencies continue. The Chancellor's measures do not yet seem to have "restored confidence in our end of the economy."

But order books are reasonable and if the trading position does not deteriorate a "modest improvement" in trading profits is looked for, particularly as it is anticipated there will be no trading losses or exceptional expenditure to write off.

With the re-orientation of the group now completed "we are in a position to move steadily forward," Mr. Plant declares.

As reported on August 20 group pre-tax profit expanded from £212,090 to £316,395 in the year to March 31, 1971, the dividend is held at 15 per cent., and the directors forecast maintenance of that rate on capital to be increased by a one-for-ten scrip issue. Turnover advanced from £3,043,380 to £3,516,090.

## IMPROVEMENT AT ICC

Mr. Eric Wilson, chairman of Industrial Contract Cleaners, told the annual meeting that trading so far this year indicated improved profitability for 1972.

## C. BAKER

Figures for C. Baker and Co. (Wholesalers) for the half-year ended July 10, 1971, show that the group has benefited from the acquisition of Haywoods (Brighton). The anticipated economies have taken effect and the loss sustained in 1969-70—£4,865 net—has been turned into a reasonable profit.

The directors are firmly of the opinion that this "greatly improved" result should be maintained in the second half.

## COMPANY NEWS IN BRIEF

MODERN ENGINEERS OF BRISTOL (HOLDINGS)—Interim 3 per cent. (nil but final 11 per cent.). Pre-tax profit for half-year to June 30, 1971, £43,723 (£38,663). Tax approximately £19,250 (£18,950). Founder directors and their families have waived entitlement to interim.

DECCA—Results for year ended March 31, 1971, reported September 3, with comment on prospects for current year. Directors' emoluments included £65,000 compensation for loss of office as executive office of subsidiaries. Group fixed assets £16.73m. (£16.94m.), current assets £50.69m. (£43.51m.) and liabilities £27.97m. (£24.6m.). Meeting, Winchester House, E.C., November 1, at 11.30 a.m.

ANGLO-SWISS HOLDINGS—Interim 5 per cent. (same and total 18 per cent.) for 1971. Unlikely profits for year will justify final dividend in excess of 5 per cent. Turnover half year to June 30, 1971 £1,390,000 (£1,278,000). Group pre-tax profit £90,000 (£150,000). Directors state that improved trading experienced during early part of year not sustained. Orders have fallen off rapidly and prospects for immediate future are not good. It is not expected that trading for second half will contribute substantially to final results.

NEEDLE INDUSTRIES GROUP—Interim dividend 5 per cent. (equivalent 2½ per cent. and total 9.16 per cent.). Group turnover six months to June 30, 1971 £1,679,000 (£1,761,000 and £3,263,000 for 1970). Trading profit before taxation £109,000 (£90,000 and £193,000). Taxation £49,000 (£48,000 and £72,000). Net profit £60,000 (£42,000 and £123,000).

CRADLEY PRINTING COMPANY—Dividend 15 per cent. (same) year to June 30, 1971. Group profit £76,473 (£58,363). To corporation tax plus income tax on investment income £27,201 (£22,553). Net profit £49,272 (£35,809). Joint managing directors again agreed to waive dividends on personal holdings to extent of 50 per cent. of such dividend. The gross dividend thus required will be £22,554. Meeting November 30.

KLOOF GOLD MINING COMPANY—Results, year to June 30, 1971, already known. Fixed assets R68.74m. (R61.76m.). Current assets R5.71m. (R4.07m.), liabilities R4.33m. (R3.75m.). Meeting, Johannesburg, October 19.

BRITISH CANADIAN TRUST—Second interim 5½ per cent., making 9½ per cent., as forecast, year to August 31, 1971 (same). Net revenue, before tax, £210,051 (£213,775). Tax takes £4,323 (£7,834). Net profit £205,728 (£205,941).

LIBERTY AND CO. (dealers in fabrics, carpets, etc.)—Interim 7½ per cent. (same—total 23½ per cent.). Group sales 26 weeks to July 31, 1971, £2,313,000 (£2,175,000). Profit £95,000 (£104,000) less tax £38,000 (£44,000) leaving net profit £57,000 (£60,000). Board considers it likely that year's profits will be less than for 1970.

FROST AND REED (HOLDINGS)—fine art dealers and publishers—Interim 4.75 per cent. (same—total 11.5 per cent.). Sales, six months to June 30, 1971, £674,641 (£825,835). Pre-tax profit £117,621 (£161,383).

ROAN CONSOLIDATED MINES—Fourth quarter dividend 8.6 Ngwee net —3.8p—making total, year to June 30, 1971, of 72.6 Ngwee or 42.3p. Lower dividend for the quarter due to currently lower copper price and to heavy capital expenditure programmes, in particular for the development of the Luanshya (Baluba) expansion and Chambishi expansion projects, together amounting to K74m., and to the cost of rehabilitating the Mufulira mine.

JONES SEWING MACHINE COMPANY (subsidiary of Brother International Corporation (Europe))—Profit for 15 months to March 31, £30,854 (loss £25,840 for previous year), reducing debit balance to £80,885. No dividends (same).

J. E. ENGLAND AND SONS (WELLINGTON)—wholesale potato and vegetable merchants—Interim 7½ per cent. for 1971 (same—total 37½ per cent.). Group profit for six months ended June 30, £56,355 (£110,495). While company maintained its tonnage turnover in first half prices and margins continue to be adversely affected by record surplus production of potatoes. Directors anticipate, however, that second-half profits will not be less than those for the second half of 1970.

MARL INVESTMENT COMPANY—Final dividend 7 per cent. (5 per cent.) making 12 per cent. (10 per cent.) for the year ended on June 30 1971. Revenue £75,966 (£67,399) before tax £800 (£1,850). Net revenue £75,866 (£65,549). Tax debit previous years £9,612 (nil). Balance £101,873 (£106,410). Dividends £72,000 (£60,000). Income tax written off £1,497 (nil), to general reserve nil (£10,000). Forward £26,170 (£36,410).

LANCASHIRE UNITED TRANSPORT—Interim 2 per cent. (same—total was 5 per cent.). Estimated pre-tax profit six months to June 27 1971, £143,000 (£75,000). Costs continue to rise but Board hopes profits for 1971 will not be less than those in 1969.

KITSON'S INSULATIONS—Final 11½ per cent. making 16½ per cent., as forecast, for year to March 31, 1971 (same). Turnover £4,797,167 (£3,639,656). Pre tax profit £184,143 (£333,542)—around £200,000 was estimated. Tax £64,532 (£153,162). Profit after tax £119,611 (£180,380).

NORTH BRITISH CANADIAN INVESTMENT—Interim dividend 4 per cent. (same), total 8 per cent. for year ending February 29, 1972. Gross Revenue for the half-year ended August 31, 1971 £62,940 (£54,984). Valuation of investments and deposits including, where applicable the full London Dollar Premium of £6,880 amounted to £2,466,246 resulting in a net asset value of 205p for each $1 share (February 28, 1971, £5,204, £1,678,164 and 159p).

SOLUS (DUBLIN)—Dividend 12½ per cent. for year ended June 30, 1971 (same). Profit before tax £67,292 (£88,790). Net profit £52,952 (£67,026).

DRURY HOLDINGS (builders and civil engineers)—Results year to March 31, 1971, and observations on prospects reported August 27. Group fixed assets £1,092,065 (£926,689). Net current assets £1,999,107 (£2,594,643). Ex gratia payment to former director £5,000. Executive share scheme in course of preparation. Meeting Hyde Park Hotel, W., October 14, noon.

HINDSON AND ANDREW REID (printers and stationers)—Results year ended June 30, 1971 reported August 25. [illegible]

CAPITAL AND NATIONAL TRUST—[illegible]

JOS HOLDINGS—Results year to July 31, 1971 reported August 25 [illegible]

CEYLON AMALGAMATED TEA ESTATES—Results year to March 31, 1971 already known. [illegible]

WESTMINSTER AND COUNTRY PROPERTIES—Results, year to April 30, 1971, reported September 2. [illegible]

[illegible] GOLD MINING COMPANY—[illegible]



## RECENT ISSUES

### EQUITIES

| Issue Price | Amount Paid Up | Latest Renunc. Date | 1971 High | 1971 Low | Stock | Closing Price | + or − | Div. | Times Covered | Gross Yield | P/E Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

| Issue Price | Amount Paid Up | Latest Renunc. Date | 1971 High | 1971 Low | Stock | Closing Price | + or − |
|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### FIXED INTEREST STOCKS

| Issue Price | Amount Paid Up | Latest Renunc. Date | 1971 High | 1971 Low | Stock | Closing Price | + or − |
|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### "RIGHTS" OFFERS

| Issue Price | Amount Paid Up | Latest Renunc. Date | 1971 High | 1971 Low | Stock | Closing Price | + or − |
|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

[illegible]

## MINING NOTEBOOK

# A look into the nickel miners' crystal ball

BY LODESTAR

WHEN IS the next "nickel" share boom going to start? This is a question that is often asked. One is tempted to answer, never I hope, in view of the excesses of the last one. There is, however, no doubt about one thing. This is that there is still a good deal of interest in this metal, both in the mining and investment world, despite its present swing to a position of over-supply and the consequent decimation in share prices. It is still regarded as very much a metal of the future.

An in-depth study of prospects thus comes at a timely moment from Eurofinance. This is the organisation set up by a group of leading banks from twelve different countries. The 58-page study by its economic research department should prove of interest to holders of nickel shares generally not only to those in the Australian segment.

In the first place it is considered that present surplus production capacity may not be eliminated before 1974. Total western world capacity is scheduled to rise by an average of 11 per cent. between 1970 and 1975 with the biggest increase planned for 1972.

### Australia's role

Part of the driving force behind this expansion is naturally Australia. By 1975 it is reckoned that the burgeoning nickel fields there will bring the country's contribution to world output to around 14 per cent. That for last year was only 2 per cent. Canada, which accounts for 65 per cent. to-day, may have its proportion reduced to 50 per cent. by then.

On the consumption side the long-run growth is projected at some 7 per cent. per annum, although it is estimated that 1970 demand will fall by 5 to 6 per cent. Eurofinance considers, however, that the market should recover strongly in 1972 and especially in 1973. Next year, in fact, an increase of 13 per cent. is foreseen. And in 1973 there may be a "most substantial" growth in demand owing to the likelihood that the West European economy will join those of Japan and North America in re-entering an expansionary phase.

Thereafter, there is a degree of caution with slightly slower progress foreseen for 1974, while an absolute fall in demand is considered to be a possibility for 1975. On the subject of prices, Eurofinance thinks that the present producer price of £1,246.5 a metric ton, primarily set by the world's nickel king, International Nickel, is likely to move upwards in only minor steps over the next two years. Any reduction, although conceivable, is considered improbable.

### Price prospects

Labour strikes in the Canadian nickel mines are thought to be likely next year when a new three-year wage contract will be in course of negotiation. These could prompt the next producer price advance, one that could be followed by sharper increases in 1973 and especially in 1974 leading to a level in 1975 some 30 per cent. or more above that prevailing at the moment. It is considered that the free market quotation is unlikely to show any important variation from the producer level.

Eurofinance does not neglect the share market angle starting off from the obvious premise that the profit outlook for the industry is very bleak this year. But an improvement is looked for in 1972 and it is reckoned that prospects are "good" for 1973 and 1974. It is in the last-named year that the industry is regarded as likely to be back to full operational capacity.

### A 3-year view

In fact, the whole review indicates that it is 1974 on which holders of nickel shares must really pin their hopes. In the meantime, it is thought that further moderate declines are possible in coming months as poor profit statements hit the stock markets.

In conclusion, it must be pointed out that all Eurofinance's crystal-ball gazing has been done against a back-cloth on which one vital premise is writ large. This is that the year 1973 will see "fast economic growth in all major industrial regions of the world," leading to "booming mining sales and substantial price increases."

Otherwise the picture would indeed become obscure. It is at least encouraging that a review of this weight is prepared to assume that this economic recovery, especially in the U.S. and Japan, will take place. Any inquiries about the survey should be directed to Mr. D. M. Riley, Eurofinance, 9, Avenue Hoche, Paris, 8e.

To return from the general to the particular, Poseidon, as foreshadowed here, has made a further statement about the nickel possibilities to the south-west of its Windarra prospect.

The information obtained by the Union Oil-Hanna-Homestake consortium which is probing this new find is reckoned to be sufficient to "conclude that the mineralised zone is of similar strike length, width and grade, both in the higher and low grade sections, as Poseidon's own Mt. Windarra orebody." There, at the last count, were 29m. tons of ore averaging 1.5 per cent. nickel of which 15m. tons average 2.32 per cent.

It is reasonable to assume that the next computation, presumably in the annual report (issued last year in early-December), will enlarge this tonnage. Union Oil's economic sulphide mineralisation so far is over an indicated strike length of 4,000 feet (just over ¾-mile).

### Share quandary

This comes as an impressive confirmation of the size of the two deposits that will be worked by Poseidon in partnership with the American companies. At Mt. Windarra itself the mine now being developed should eventually work four orebodies. It is hoped to have the first ore "at grass," before next June.

Why then, it may be asked, do Poseidon shares show no signs of recovery, lingering at 875p, only 75p above their recent low? Well, it is possible that there could be selling by the unsuccessful contenders for Poseidon's band. Then the Australian market as a whole is hardly an ebullient one at the moment. And, world-wide, nickel shares generally are out of favour for obvious reasons.

But there is little doubt that the main factor is the long drawn out wait for the fund-raising proposals, particularly as to how much Poseidon will have to contribute and how it will be raised. Historically, this particular phase of bringing a new mine to production is always accompanied by a nervous pause in the share market after all the pioneering excitements have faded away. So it is to be hoped that Mr. Shierlaw will not keep his shareholders on tenterbooks too long.

## INSURANCE

# Cover for credit cards

BY OUR INSURANCE CORRESPONDENT

ALTHOUGH the use of credit cards has been expanding continually over the last five years or so, so that many businessmen have up to half-a-dozen cards and sometimes more, the demand for insurance cover that the market reasonably expected when these cards first began to proliferate has not been experienced, and there remain quite a number of companies that do not set out to provide credit card insurance.

Lack of demand is surprising, for many credit card schemes have onerous conditions, for example making the card-holder liable for any payments made against a card that has been lost or stolen, up to the time that the credit card company has notice of this. With almost universal Saturday closing of offices, the card-holder who suffers the loss of his card or cards on Friday evening can be considerably financially prejudiced by the time he gives notice of his loss on Monday morning.

### Policy extension

The individual card-holder who wants credit card insurance will not usually be able to buy a separate policy specifically for this purpose. He will be able to get cover either as part of one of the many "package" policies now sold for home and personal insurances or perhaps as an extension of his household or "All Risks" insurance. The business man who wants insurance or the firm that wants to cover its employees' cards will probably find that insurers will offer cover as an extension of a commercial money policy.

By whatever method the cover is provided, insurers require the card-holder to agree a financial limit beyond which they shall not be liable, and it is unusual for cover in excess of £500 to be provided in respect of the loss or theft of any one card—though this limit must of course be fixed in the light of the card's credit value and the holder's financial position.

### Restrictions

In every insurance there is a condition that the card-holder must strictly comply with any notification requirements imposed on him by the particular credit card company. This of course is perfectly fair as otherwise insurers, subject to their financial limit, would be giving open-ended cover. This kind of insurance is designed to protect the card-holder only from unavoidable financial loss.

Some insurers impose other restrictions as well. For example one company excludes losses attributable to the unauthorised use of the credit card by any relative of the card-holder, while another insurer provides cover for loss due to the fraudulent use of the card only by an unauthorised person who is unknown to the card-holder.

This kind of restriction does in theory substantially cut down the cover that insurers provide. But in practice the way in which the restriction is incorporated into the policy can be of considerable effect. Most restrictions are written as "exceptions" or "exclusions"—these terms are used with equal frequency: the law is clear that it is for insurers to prove that they are entitled to rely on such an exception or exclusion. Moreover suspicion is one thing and proof another. So the effect of such restrictions is much less real than apparent. Nevertheless the card-holder will not be able to persuade insurers to remove their restrictions on payment of extra premium and he must take the cover as it is offered or go elsewhere.

Territorial limits are a point to watch: the business man travelling abroad should make certain that he has as much foreign cover as insurers are willing to provide for those cards that can be used out of this country.

### Premium rates

Rates of premium vary but the card-holder arranging personal insurance will probably have to pay from 50p to £1 for each £100 worth of cover, while the commercial firm extending its money insurance may find cover included at the rate for its main money insurance.

Some credit card operators do have their own insurance schemes. The card-holder should find out whether such a scheme is available and then carefully examine its cover and terms, for these may prove more satisfactory than those which he can obtain on an individual basis.

# Demand improves oil tanker rates

BY RAY DAFTER

INCREASED demand for medium-sized tankers is reported to be largely responsible for an improvement in oil tanker charter rates in the past week.

Despite the continuing availability of relet vessels in the Persian Gulf sector, the rate for a 60,000 or 70,000 ton tanker chartered for a voyage to the U.K. or Continent is put at about Worldscale 45 compared with the recent "low" rate of W30.

Brokers Lambert Brothers (Shipping) and John I. Jacobs and Co. report that there has also been an increased level of inquiries and improved rates in the Mediterranean sector although owners with tonnage in the Caribbean Sea are facing depressed conditions.

John I. Jacobs says that inquiry in the Caribbean Sea is virtually non-existent causing owners to "fight over the few cargoes quoting," accepting rates between W60 and W65 for local and coastwise voyages.

In the period market BP caused something of a stir when it announced it was seeking 70,000 to 80,000 tons capacity for three to five years time charter starting this year. It was reported that BP has so far shown no reaction to various propositions which have been made.

Two American charterers with openings for very large crude carriers for 12 months have expressed willingness to fix at near to the W50 mark.

It is also reported that combined carriers trading in oil as at August 31 totalled 161 vessels of 12.91m. tons. This is 72.1 per cent. of the total combined carrier fleet, a percentage little changed from July 31.

# 'Millions spent but UCS failed to modernise'

THE COLLAPSE of Upper Clyde Shipbuilders was the last, and potentially perhaps the most serious, example "of the evil consequences of propping up and protecting failure, rather than promoting and encouraging success," Sir William McEwan Younger, chairman of the Conservative Party in Scotland, said at Wick, Caithness, at the week-end.

"Of all the millions—perhaps £28m.—poured in just a few years into UCS, hardly anything has been spent on much needed modernisation of the yards," he added.

He spoke of the importance now attached on the Continent to expenditure on communications, and said the present Government was increasingly recognising the importance of communications in regional development policies.

"In spite of our present difficulties, which indeed give great cause for concern, I am convinced that, in the long term, the prospect is bright, not least for Scotland, and not least for the Highlands," said Sir William.

# London tea sales

At the tea sales held in London last week 48,309 packages sold realised an average price of 43.52p per kilo against 43.04p at the previous sale and 42.32p a year ago. Plain tea was quoted at 37.00p.

| | No. of kilos | Average per kilo |
|---|---|---|
| African Highland Prod. | 64,535 | 42½p |
| Assam Dooars | 10,713 | 40p |
| Anaree Khat | 11,890 | 69½p |
| Bogawantalawa | 35,152 | 45½p |
| Ceylon Tea Plants. | 33,675 | 41½p |
| Cons. Estates | 30,261 | 44p |
| Cons. Tea & Lands | 0,787 | 39p |
| Dekhari | 9,170 | 56½p |
| Demodera | 19,773 | 54½p |
| Dimbula Valley | 8,955 | 41p |
| Dooars | 23,360 | 39½p |
| Eastern Assam | 18,890 | 51½p |
| Empire of India | 20,634 | 41p |
| Jorehaut | 13,313 | 54p |
| Kanan Devan | 45,415 | 38p |
| Kenya | 113,210 | 44p |
| Lanka | 17,378 | 44½p |
| Lunuva | 27,520 | 41p |
| Marfield | 17,857 | 40½p |
| Moran | 6,380 | 49p |
| Nayabedde | 46,069 | 40½p |
| Nedeem | 11,538 | 38½p |
| Nuwara Eliya | 10,734 | 44½p |
| Ouvah | 53,244 | 41½p |
| Pabbolan | 37,880 | 51½p |
| Rue Estates | 10,173 | 40½p |
| Scot. Tea & Lands | 63,715 | 42p |
| Singlo | 3,831 | 39½p |
| Spring Valley | 37,353 | 42p |
| Standard | 58,976 | 44p |
| Telbedde | 33,750 | 42½p |
| Tingri | 1,968 | 65½p |

Stock at September 17 amounted to 67,023 metric tons compared with 60,632 metric tons a year ago. Converted at 48.968 kilos per package.

## BY-PASS ROUTE CONFIRMED

The route of the Colchester northern by-pass, as published in draft in August, 1970, has been confirmed. The road will start from a two-level interchange at the eastern end of Stanway by-pass and proceed northwards to rejoin the existing A12 north of Harts Lane.

# COMPANY NEWS + COMMENT

## MONDAY

# Richard Johnson & Nephew pays more

Directors of *Richard Johnson* and Nephew, wire manufacturers, are paying a *special interim* (in lieu of a final) of 5 per cent. making 22 per cent. for the fifteen months ended June 26, 1971. This is equivalent to an annual rate of 17.6 per cent. (compared with 15 per cent.) and the Board expects this annual rate will be at least maintained for the current year.

Turnover for the 15 months was £67.99m. and pre-tax profits amounted to £2.82m. In the 12 months to March 28, 1970, the figures were £51.32m. and £1.42m. respectively.

Earnings per share (on an annual basis) are shown at 37.7p (20.1p).

| | 15 months June 1971 £ | Year March 1970 £ |
|---|---|---|
| Turnover | 67,994,000 | 51,321,000 |
| Trading profit | 3,098,922 | 1,727,342 |
| Transfer of plant cost | . | 83,026 |
| *Interest charges* | 283,802 | 215,503 |
| Profit | 2,815,120 | 1,428,723 |
| Tax | 1,109,500 | 691,500 |
| *Tax Equalisation* | 90,000 | |
| Overprovision | 89,677 | 9,518 |
| Net balance | 1,705,297 | 746,741 |
| **Post-acquisition profits* | 16,093 | |
| Preference dividend | 26,123 | 22,500 |
| Earned for Ordinary | 1,695,267 | 724,241 |
| Ordinary dividends | 792,000 | 540,000 |
| General reserve | 903,267 | 184,241 |

*Profits after tax of J. Rugby and Sons.

**● comment**

On an annual basis, Johnson's pre-tax profits are up 59 per cent. on a sales rise of only 6 per cent. Thus, while sales have been affected by depressed trading conditions, especially in the steel sector, the group's extensive cost-saving efforts have continued to pay off. Difficult conditions have persisted into the current year with demand at a low level throughout the group, and any further growth clearly depends on whether Johnson can continue to improve its margins. However, given that the reorganisation which started in 1969 is still far from completed, this seems a fair prospect. So the shares at 365p may be rather cautiously rated on a fully diluted annual p/e of 8.4.

### Ellerman Lines loss £1,605,000

ON A TURNOVER up from £45.35m. to £47.29m., Ellerman Lines incurred a group pre-tax loss of £1,605,000, against a profit of £783,000 for 1970.

The dividend on the privately held Deferred capital is maintained at 6 per cent.

The poor result stems mainly *from "unparalleled increases" in* operating costs and exceptional impact of U.K. dock strikes and also the introduction of the second phase of the Devlin labour scheme.

The directors are continuing to examine the whole of the group's shipping activities with a view to *ensuring efficient operation* and containing costs.

Chairman, Mr. D. F. Martin-Jenkins, says the Board share the views recently expressed about the need for profitability in British liner shipping, and it is essential that the company presses for freight rates which do provide a reasonable margin.

On diversification, he says the company's travel interests have *greatly increased* and *they are* confident of building a profitable ancillary to shipping interests.

Group properties have a market value of approximately £5m. above book values.

| | 1970 £000 | 1969 £000 |
|---|---|---|
| Turnover | 47,287 | 45,349 |
| Surplus | 5,630 | 7,299 |
| Depreciation, etc. | 8,376 | 7,644 |
| Trading loss | 2,746 | 345 |
| Investment income, etc. | 1,141 | 1,128 |
| Pre-tax loss | 1,605 | *783 |

* Profit.

### Neville Group looks for improvement

Present indications are that The Neville Group will improve in the current year, says chairman Mr. H. A. L. Dawes.

A *major change* of *policy* as to management has taken place quickly and efficiently, he adds.

As reported on August 12 group pre-tax profit for the year to March 31, 1971, contracted from £704,654 to £478,937 and the dividend *is maintained* at 25 *per* cent.

At present the group has 11 subsidiaries. Since the year end G. C. Phillips has been sold. Terms have been agreed in principle for the sale of the 55 per cent. interest in Holders of Congresbury and *negotiations* are at *an* advanced stage in the realisation of F. W. Tomkinson. The sale of the 70 per cent. interest in St. John's House, a property investment company, is under consideration.

A breakdown of turnover (£000s omitted) £10,365 (£9,255) applicable to non-banking interests shows *manufacturing and processing* £3,650 (£2,907); service industries £3,093 (£3,398); distribution £1,409 (£1,220); food and catering £2,213 (£1,730).

There was a compensation payment of £5,000 to a former director for loss of office.

Meeting, Birmingham, October 8, at 12.30 p.m.

### Armour Trust on target

As forecast, the Board of Armour Trust is recommending a final dividend of 8 per cent. for the sixteen months ended April 30, 1971, which, as previously stated, directors regard as being payable out of the profits for the 12 months to April 30, 1971. This compares with 4 per cent. for the 12 months ended December 31, 1969.

The dividend will be paid on the Ordinary capital of Armour outstanding at April 30, 1971, other than the Ordinary capital issued to the vendors of Dobson Rhodes Holdings, who, as previously announced, *will receive* a dividend of 6 per cent.

*Compared* with a forecast of not less than £180,000, profits for the 16 months were £204,000 before tax of £83,000. In 1969, profits were £17,000 before tax £2,000.

Profits of Armour Trust include *profits* before tax for *Dobson* Rhodes Holdings and its subsidiaries of £168,000 for the 12 months ended April 30, 1971; the balance of profits was earned by the remainder of the group over a 16-month period.

After £8,000 (nil) minorities, available profit was £113,000. The dividend absorbs £47,000 (£16,000).

The vendors of DRH warranted pre-tax profits for the year to April 30, 1971, of not less than £125,000 and this has been substantially exceeded. Turnover for the first three months of the current year shows a material increase over the comparable period last year and the Board expects this improvement to continue.

Armour has recently concluded negotiations with Slater Walker for the provision to DRH of a £500,000 medium-term loan on satisfactory terms to enable DRH to expend at a *faster* rate than previously envisaged.

### Triplevest sees £1.19m. again

Current estimates by Triplevest indicate that the amount of income receivable in the second half of the year to February 28, 1972, will be *comparable* to the £529,715 received in the same period of the previous year.

An interim of 4.494 per cent. (4.479 per cent.) is declared on the 50p Income shares and directors state *that* distribution for the full year is expected to be similar to last year's 7.932 per cent.

*Gross* revenue *for the* half *year* ended August 31, 1971 is little changed at £663,393 compared with £661,255.

For the year ended February 28, 1971, the gross revenue was £1,190,970.

| | Half-year 1971 £ | 1970 £ |
|---|---|---|
| Franked investment | 535,278 | 541,597 |
| Unfranked | 115,262 | 100,440 |
| Bank interest | 12,853 | 19,218 |
| Gross revenue | 663,393 | 661,255 |
| Interest and expenses | 121,440 | 122,426 |
| Revenue before tax | 541,953 | 538,829 |
| Taxation | 210,093 | 223,560 |
| Net revenue | 331,860 | 315,269 |
| Income tax relief | 207,420 | 222,231 |
| Gross distributable | 539,280 | 537,490 |

At August 31, 1971, asset value per £1 *capital share was* 286p (172½p at February 28, 1971).

### IFS profit growth

Pre-tax profits of £407,000 for the year to June 30, 1971 (compared with £308,000) *are reported* by International Finance and Services, the export finance house in the United Dominions Trust Group.

During the year IFS provided more than £30m. in credits—50 per cent. more than *in* the year to June 30, 1970—to overseas buyers *of British goods in* more than *60* countries.

The growth of business handled in co-operation with overseas companies in the UDT group was especially encouraging, says Mr. G. L. Standing, chairman.

There has also been a further increase in the business and *profits* of *IFS's Swiss subsidiary*, UDT Internationale Finanz AG, which finances the international movement of goods, including those of the U.K. Julius Bär and Co. of Zurich and Norinvest A/S of Oslo are IFS's partners in this company.

### Harry Vincent pays 12½%

A GROUP trading profit almost doubled, from £83,543 to £165,729, is reported by confectionery and toffee manufacturers Harry Vincent for the year ended June 26, 1971.

Against last year's 4 per cent. payment the directors are recommending 12½ per cent.

Record sales have been achieved by all group companies, including "Blue Bird" home sales, exports and sales by the distributing companies. While costs continue to rise, steps taken should maintain the forward progress, directors state.

**● comment**

Harry Vincent has more than made up the leeway lost last year, with *pre-tax profits virtually* doubled. Sales at home and in particular exports have been extremely buoyant, while the price increases of 1969-70 no doubt helped margins. Whether Vincent can carry the growth further *remains* to be seen but the shares on a p/e of 9.2 at 52½p are clearly taking no chances.

### Reckitt & Colman

Reckitt & Colman has decided to concentrate the *production* of its household goods in Germany at the factory at Recklinghausen in the Ruhr. Manufacture of firelighters and aerosols will be transferred from Ellerbek, near Hamburg, early in 1972, and the factory *will be sold*. Shoe polish manufacture, for which there has been an important export trade from Germany, will be transferred to London.

These changes are part of the group's European rationalisation programme, which is planned for greater activity and increased *profitability* in the major European markets. Reckitt and Colman has confidence in future expansion in the German market, and is looking forward to developments in food, household products and toiletries, in which it is well placed.

### S. Hoffnung cautious

Although sales for the first four months of the current year show an increase of over 7 per cent., it is too early to *forecast* results for the full year, chairman of S. Hoffnung and Co., Mr. H. Roland Bourne, tells members.

Much depends on the Christmas trade, he says. While in no way pessimistic, there are, as always, a number of factors which could adversely affect the results of the group. *Low* prices for primary produce are "very much in evidence," and *wool* is at its lowest price for over 20 years.

Referring to favourable factors, the chairman says the Board is confident that when fully operational the new warehouse will enable the group to handle a larger throughput more *efficiently* and economically and will also *result in a reduction in* overhead expenses.

Secondly, *in the current year*, Hoffnung will enjoy a full year's contribution to *profits* from both Aylward and Kennedy and Seymours. Thirdly, improved results from manufacturing subsidiaries are looked for.

As reported on August 20 group profit, before tax, for the year ended March 31, 1971, increased from £1,020,203 to £1,308,944 and the total dividend is 36 per cent. (35 per cent.).

The group trades as wholesale and general merchants, shippers, *exporters*, etc. Meeting, Great Eastern Hotel, E.C., October 11 at 12.15 p.m.

### Evered profit improvement

Group pre-tax profit of Evered and Co. Holdings increased marginally from £198,000 to £206,000 in the first half of 1971 from a lower turnover of £3,224,000 (£3,753,000). For 1970, the turnover was £6,763,000 and profit £315,598.

*First half* net profit was £117,000 (£109,000) and for the year £189,594). For 1970, surplus tax provisions of previous years of £39,484 were brought in.

An unchanged interim dividend of 4 per cent. is declared. The *1970* total was 13½ per cent.

### L. Newmark sales up

CURRENT YEAR profit at least equal to that of the year to April 30, 1971, before deducting the *exceptional* provision against the Rolls-Royce debt, is indicated by Mr. H. Newmark, chairman of Louis Newmark.

Turnover is up and future orders are good, he adds.

As reported on August 3, group pre-tax profit for the year to April 3, 1971, was £805,210 (£733,384) and the dividend 18 (15) per cent. The profit was struck after depreciation £235,882 (£172,760) and after providing in full for the Rolls-Royce debt of £75,327.

A breakdown of turnover £10.83m. and profit £0.88m. (before the R-R debt provision) shows (£000 omitted) manufacturing £7,410 and £610; watches £1,695 and £70; needles and accessories £1,720 and £200.

Meeting, 143-149, Great Portland Street, W., October 14, noon.

#### UNIT TRUSTS

### JASCOT COMPOUND INITIAL OFFER

Jascot Securities, based in Edinburgh, is making an introductory offer of units in its Compound Fund at 25p each to yield an estimated 8 per cent. gross. The offer closes on October 6, with the *minimum investment* set at £50.

Announced last Friday, the new fund sets out to achieve above average capital growth and yield by the *application of an investment* system devised by brokers *Myers* and Co.

The managers of Jascot Compound are working *on the theory* that the risks involved in high *yielding shares* are often exaggerated, and they intend to apply a *rigid system*, developed 30 years ago, to select individual stocks. Jascot has produced ample statistics to prove that this theory has worked quite well in the past, but, of course, historic performance is not always a good guide to the future. That said, the fund is an interesting addition to the industry, though one always has doubts about rigid systems and investment.

#### ISSUE NEWS

### ANGLO-WELSH INVESTMENT

Anglo-Welsh Investment proposes to convert and consolidate its existing issued 1.5m. Income 25p *shares into 750,000* 12.5 per cent. cumulative convertible Preference 50p shares; also to convert and consolidate existing issued 750,000 Capital 25p shares into 375,000 Ordinary 50p shares; to convert and consolidate unissued *900,000 Income* 25p *shares* and 450,000 Capital 25p shares into 675,000 Ordinary 50p shares; to increase authorised share capital of company to £1.5m. by creation of a further 1.2m. Ordinary 50p and to make a scrip issue to Capital holders *of 375,000 Ordinary* 50p shares at rate of one Ordinary share for every two Capital shares held on September 10.

Directors also *intend* to offer for subscription by way of rights to holders of Income and Capital shares a further 750,000 Ordinary 50p and 150,000 warrants conferring right to subscribe for a total of 150,000 Ordinary. Such offer will be made on the basis equivalent to five new Ordinary and one warrant for every 20 Income shares and five new Ordinary and one warrant for every 10 Capital shares.

Price at which new Ordinary and warrants will be offered will be decided in light of market conditions *immediately* prior to meetings held on October 13. The new class of Preference shares will carry the right to convert into an equal number of Ordinary between 1974 and 1984. To enable any holder of Income shares, who does not *wish to retain his investment* in the company in the new form, to dispose of his Preference shares resulting from conversion and consolidation, directors have arranged that Leopold Joseph and Sons will offer to purchase the Preference *shares* (cum rights) for 78p cash per share. This is equivalent to 30p per Income share.

### LEEDS ASSETS

*Leeds Assets* announces that holders of Convertible stock will be entitled *to participate in the* one-for-five rights issue of Deferred Ordinary shares at 80p announced two weeks ago. They will be offered deferred shares at 80p in proportion of 27 deferred for every £100 nominal of convertible stock.

### ROSEHAUGH

The directors of Rosehaugh Company announce a one-for-one scrip issue.

## DIVIDENDS ANNOUNCED

| | Current payment % | Date of payment | Corre-sponding div. % | Total for year % | Total last year % |
|---|---|---|---|---|---|
| Ellerman Lines | 6 | — | 6 | 6 | 6 |
| Harry Vincent | 12½ | — | — | 12½ | 4 |
| Richard Johnson, Nephew special int. | (c)5 | Dec. 1 | 12 | 22 | 15 |

* Equivalent after allowing for scrip issue. † Amount per share. (a) Tax free. (b) On capital increased by rights and/or acquisition issues. (c) For 15 months.

## BIDS AND DEALS

# Sime Darby revises Seafield terms

The offer from Sime Darby *Holdings* for Seafield Amalgamated has been extended until further notice and revised in the following terms:

For every 10 Seafield Ordinary three Sime Darby Ordinary and 355p of 10 per cent. unsecured loan stock 1978 with detachable warrants.

N. M. Rothschild will arrange to provide a cash alternative to the warrant stock as follows: For every £100 of stock without warrants, £100; for each warrant 25p.

Terms of the warrant stock will be similar to those for the original *offer, namely, that 50 warrants* will be attached to every £100 of the unsecured loan stock and each will entitle the holder to subscribe for one Ordinary of Sime Darby at 75p during the years 1972-77 inclusive.

Seafield holders will be entitled to a special interim of 20 per cent. *in respect* of the year to September 30. Interest will be payable on the warrant stock as from October 1, 1971.

The Sime Darby Board is forecasting pre-tax profits for the year to June 20, 1972, of not less than £3m. against an estimate of £2.6m. for the previous 12 months and *dividends* for the *year* of 22 per cent. (18¾ per cent.).

### THOMAS POOLE

*Thomas Poole* and Gladstone China, makers of Royal Stafford bone chinaware, has acquired Inbucon Investments (Ireland) as part of its stated policy of broadening its base as an investment holding group. The acquired *company is a subsidiary* of Inbucon Investment, itself an offshoot of the U.S. Leasco computer group which in 1969 unsuccessfully bid for the hard-hit Pergamon Press.

Consideration for the deal is the issue by *Poole of* 1.95m. Ordinary 5p shares, following which Inbucon Investment will own nearly 21½ per cent. of the Poole equity.

Meanwhile, Gailey Group, whose chairman Mr. J. F. Nash also heads Poole, *has disposed of its* 2.7m. shares in Poole at 5p each. This holding represents some 70 per cent. of Galley's investment in Poole and the sale is in line with Gailey's plan to concentrate interests in caravan distribution and caravan holiday parks.

In line with this policy, Gailey *has acquired Hants and Dorset Caravan Service* for £120,000, satisfied by £70,000 on completion and two further annual instalments of £25,000. H. and D.'s pre-tax profit in the year to March, 1971, amounted to £20,594 and its net assets at that time totalled £79,795.

### GRAMGAS

The Board of Gramgas announces that negotiations are proceeding and are expected to lead to the acquisition of the capital of two companies operating in the insurance broking field. Contracts are expected to be exchanged shortly. Consequently, a request has been made to the Stock Exchange to suspend the companies quotation pending the outcome and circularisation of full details to shareholders.

### GENERAL STEAM

The formal offer document relating to the cash offer by P & O to acquire *General Steam* Navigation has now been sent out by Lazard Brothers.

In a letter recommending the offer, the GSN chairman, Mr. D.

L. J. Mortelman, says that results for the half year to March 31 sho[...] a loss before tax of £60,000, reflec[...] ing an increase in financial charge[...] on ships under construction o[...] £195,000.

Mr. Mortelman comments tha[...] results for the second half ar[...] traditionally better than those o[...] the first, but adds that the group [...] operations continue to be affecte[...] by difficult trading conditions.

### JESSEL-HUDSON

Robert Hudson Group says th[...] talks started last month wi[...] Jessel Securities will not lead t[...] an offer being made by Jesse[...] which owns just over 20 per cen[...] of the Hudson equity.

However, discussions will lea[...] to a closer relationship betwee[...] the two companies. Jessel's chai[...] man, Mr. Oliver Jessel, has e[...] *pressed satisfaction* with th[...] soundness of the Hudson grou[...] and has agreed to work wi[...] Hudson on the future develo[...] ment of the company.

Robert Hudson will subm[...] shortly proposals to shareholde[...] to enfranchise the "A" shares.

### DUTTON-FORSHAW

Voss Motors, a subsidiary [...] Dutton-Forshaw Group, h[...] acquired the capital of Parts D[...] tributors (Merseyside). Voss pr[...] viously owned 50 per cent. of [...] Parts Distributors and has pu[...] chased the balance from Watson and Co. (Liverpool), subsidiary of Oliver Rix.

Parts Distributors is a lar[...] scale distributor of Austin-Mor[...] parts in the Merseyside area.

### MILES REDFERN

*The offer* by BTR Leyla[...] Industries to acquire the cap[...] of Miles Redfern not alrea[...] owned has been accepted [...] respect of 1,908,564 Ordin[...] shares (89.36 per cent.). [...] London Stock Exchange has gr[...] ted quotation for and permis[...] to deal in the new shares [...] *BTRL to be issued*.

The offer has been declared [...] conditional and remains open.

### NORVIC SHOE

In connection with Drakes' [...] to acquire the Ordinary shares [...] Norvic Shoe not already ow[...] acceptances have been rece[...] in respect of 4,816,870 Ordi[...] of Norvic. Drakes now con[...] about 90 per cent. of No[...] Ordinary. The offer has now [...] *come unconditional*, but rem[...] open. The cash offer has cl[...]

### TRUMAN HANBURY

Grand Metropolitan [...] offer for the 4 per cent. Pre[...] ence Stock of Truman Han[...] Buxton has been declared un[...] ditional. Acceptances have b[...] received in respect of £1,0[...] nominal (88.8 per cent.) of [...] stock. The offers for the Pre[...] ence and Ordinary of Tru[...] remain open.

### VANGUARD PLANT

Harvey Plant's offer for [...] guard Plant has become [...] conditional. Acceptances to [...] amount to 1,201,026 shares [...] Vanguard (60 per cent.). [...] closing date is September 2[...]

### HUME HOLDINGS

Hume Holdings has dispo[...] its holding of 438,300 Lo[...] Investments "A" shares (25[...] cent. of Lothian capital). M[...] Scrimgeour has resigned from [...] Board.

## TUESDAY

# Purle first-half profit increase

TAXABLE PROFITS up from £341,000 to £381,000 *are reported* by Purle Brothers Holdings, industrial waste disposal specialists, for the six months ended May 31, 1971.

An unchanged interim dividend of 5 per cent. is declared—total for 1970 was 11 per cent. paid from profits of £810,000. Earnings per 20p share for the first half are stated at 3.5p (3p).

Mr. Morgan said later that the profit *improvement* had been achieved "against a background of massive reorganisation." Although he was not prepared to give a forecast for the full year he commented "I am very happy with the way the company is going."

Sales at half way were up by between 10 per cent. and 15 per cent. on the first half 1970 total of £2m. For the full year they were budgeting for sales in excess of £6m. against £5m.

Asked about the possibility of further takeovers Mr. Morgan said "we are well geared now to take in more acquisitions and we are now looking at quite a few."

It is understood that these are all private companies although one in particular could involve around £1m. if it was taken any further.

| | Six months 1970-71 £000 | 1969-70 £000 |
|---|---|---|
| Group profit | 381 | 341 |
| Tax and minorities | 155 | 159 |
| Net balance | 226 | 182 |
| Interim | 66 | 62 |

**● comment**

For some time now it *has* been apparent that although Purle Brothers is still making good headway its growth rate is falling some way short of the explosive category. After a 19 per cent. rise in profits before tax last year, the first half *this* time shows a gain of just 12 per cent. Words *rather than action* have been tending to steal the scene in the anti-pollution drive, and Europe has been a generally difficult market. On the other hand Purle has now completed its management reorganisation, bringing in a stronger sales operation and increasing the scope for expansion by acquisitions. *Coupled with the* build-up of royalties from the U.S. and *Japan, this could* well step up the growth rate again. If so a p/e of 20 at 176p on an immediate prospective 12 per cent. earnings rise to just over 8.5p a share appears to leave some upside potential.

### HIGHLIGHT SPORTS

At the annual meeting of Highlight Sports, chairman Mr. Sidney Solomons said the optimism in the annual statement was not unfounded and "we are now well in to a very successful autumn *season*. As to spring, although the official showings had not yet commenced, the company had already taken very considerable orders and the order book for spring would see yet another landmark in the company's history."

### Stanwood's progress

Group pre-tax profit of Stanwood Radio increased from £12,678 *to* £26,491 *for the first half* of 1971 and an advance on the £62,034 for 1970 is expected for the year.

Interim dividends are resumed with a declaration of 2½ per cent. A single payment of 5 per cent. was made for 1970.

| | Six months 1971 £ | 1970 £ |
|---|---|---|
| Turnover | 1,813,000 | 1,623,000 |
| Trading profit | 426,297 | 253,736 |
| Depreciation | 295,966 | 206,103 |
| Short-term finance charges | 103,840 | 66,955 |
| Pre-tax profit | 26,491 | 12,678 |

The increase in depreciation and finance charges *reflects* continued heavy investment of television rental business. Rental income for half year amounted to £640,000 (£430,000) and should exceed £1.4m. (£995,000) *for* the year, the directors state.

The directors are confident that the improvement in both turnover and profitability will continue throughout second half year.

**● comment**

Although the rental share of first half turnover at Stanwood Radio has increased from 26 per cent. to 35.5 per cent., more recently there has been a revival of hp business, *which* has *jumped* 50 per cent. since the July relaxation of credit controls. This can be no help to the problem of financing television sets for rental. However, the continued build-up of the rental side will generate an increasing cash flow and depreciation and interest charges will be less of a burden *in the* medium term. But the heavy debt position—short *term borrowing must now* be *well* over £2m. against an equity capitalisation of £1.2m.—revives the question of a funding operation. Meanwhile the prospective p/e of 12.1 at 24p (assuming £100,000 pre-tax profit and a nil tax charge) and a price/cash flow ratio as low as 2 seem to take account of the problems.

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### PATALING RUBBER

Pataling Rubber Estates is raising its interim dividend from 7½ to 8½ per cent.—the highest payable while preserving maximum benefit from transitional (overspill) tax relief for 1971-72. It will take the place of the two interim dividends, together totaling 20 per cent., paid for the year to October 31, 1970.

The final dividend to be announced about March will be adjusted to take account of the difference in interim payments for the current and previous year (total dividend for 1969-70 was 37½ per cent.).

### Metalrax expects peak year

BIRMINGHAM-BASED engineers, Metalrax (*Holdings*), *reports* an increase from £174,419 to £201,578 in first-half profit on a reduced turnover of £1,680,936 (£1,724,242). And the directors forecast "another *record* year."

For the year 1970 group profit was £384,613 on a *turnover of* £3,440,926.

Mr. C. Coombs, chairman, explains that the first-half turnover decrease was due to the general decline in demand in the engineering and allied industries. But with the advent of new national economic policies this regressive phase is disappearing.

Order books are already improving which augurs well for yet another record year, he adds.

The interim dividend is effectively *raised* from 13.64 to 15 *per* cent. The 1970 total was equal to 34.54 per cent.

| | Six months 1971 £ | 1970 £ |
|---|---|---|
| Turnover | 1,680,936 | 1,724,242 |
| Profit before tax | 201,578 | 174,419 |
| Taxation | 81,751 | 79,614 |
| Net profit | 120,127 | 94,805 |
| Outside Pref. divs. | 1,285 | 1,295 |
| Attributable | 118,842 | 93,510 |
| Preference | 7,500 | 7,500 |
| Attributable Ordinary | 111,342 | 86,010 |
| Interim Ordinary | 47,896 | 43,542 |
| Unappropriated | 63,446 | 42,476 |

**● comment**

Metalrax backs up six month profits growth—16 per cent. pre-tax—with a modestly bullish appraisal of the medium term outlook. Orders are currently running some 10 per cent. *above* the *January-June level*, which is a comfort at a time of *improving margins*, up by nearly a couple of points at 12 per cent. for the six months, though the 1970 July-December returns were 12.4 per cent. Past 12-months earnings rise from 3.6p a share to 3.9p if the six months growth trend can be *maintained*, which means a p/e ranging between 11.7 and 10.7, with the shares at 43p against 15 for the engineering sector.

### Higgs & Hill progress

FROM turnover unchanged at £14m., a group profit, before tax, up from £297,000 to £345,000, is reported by building and civil engineering contractors Higgs and Hill for the six months ended June 30, 1971. Tax takes £135,000 (£133,650).

An unchanged interim dividend of 7 per cent. is declared. Previous total was 16 per cent., paid on a pre-tax profit of £566,295.

Directors say the value of work in hand and under negotiation is over £55m., and that reasonable settlement has been achieved *with CEGB* on the *Fiddlers Ferry* contract.

**● comment**

The late cancellation of two contracts upset progress for Higgs and Hill and turnover marked time in the first half. However, with profits taken at the end of contracts there is some time lag between turnover becoming reflected *in* profits, so to a certain extent the 16 per cent. jump in the pre-tax figure is historic. This of course means that Higgs and Hill could feel the effects of the stagnation in first half turnover during the second six months. *Nevertheless the group is still* hoping for some increase over the 1970 profits figure and with work in hand showing a healthy rise any downturn should prove only temporary. So the shares on a p/e of 12 at 101p should not be perturbed.

### Orion banking expansion

The Orion international banking group has made its first recruit since it was set up last December to provide financial and banking services for major international institutions. It has been joined by Credito Italiano, one of Italy's largest *commercial* banks.

*The* Milan-based bank joins Chase Manhattan, the National Westminster, the Royal Bank of Canada and the Westdeutsche Landesbank Girozentrale as a shareholders in the three London-based Orion companies. These are Orion Multinational Services, designed to co-ordinate the international *services of the partners*, Orion Bank, the group's merchant banking arm, and Orion Termbank, specialising in medium-term Eurocurrency lending.

### U.S. finance for Montagu

Marsh and McLennan, U.S. based insurance brokers, is putting $8m. (about £3.3m.) of new money into the insurance *interests of Montagu Trust*. The London group has reached agreement in principle to form a new holding company to hold certain of its insurance and other related *interests* in the U.K. and abroad. These are principally Bland Welch and E. W. Payne, among the leading insurance brokers in London.

Following the formation of the new company, Marsh and McLennan will subscribe for new shares giving it 20 per cent. of the equity of the new group. Marsh and McLennan, a subsidiary of the Marlennan Corporation, is counted the biggest insurance broking organisation in the world, and is a large placer of business on the London market.

Mr. Francis O'Brien Newman, chairman of Montagu Trust, explained that the move was designed to cement the close business association which its *insurance companies had* had with Marsh and McLennan for many years.

The combined profits of the proposed new company for the year ended March 31, 1971, were about £1.9m. after tax.

### COWLISHAW WALKER

*Cowlishaw Walker's prospects* for continued growth in mining equipment are encouraging, and despite problems in machine tools, the press division is confident that for the sixth year in succession its turnover will be increased.

In Saturday's excerpt, there were misplaced lines of type in that paragraph.

### L. Ryan reaffirms forecast

*IN THEIR* interim report the directors of L. Ryan Holdings reaffirm their forecast that current year profit will not only exceed substantially that for 1970-1971—£270,000 pre-tax— but also the £435,316 achieved in 1969-70.

In the six months ended July 31, 1971, profit at £315,000 was *in line* with the estimate of not less than £300,000 and compared with £233,000 for the same 1970 period. Of the first-half profit the Belgium operation contributed £66,000 (£74,000 for year 1970-71.)

The interim dividend is raised from 8 per cent. to 10 per cent.—total for 1970-71 was 18 per cent.

| | First half 1971-72 £000 | 1970-71 £000 |
|---|---|---|
| Turnover | 1,868 | 1,464 |
| Profit | 315 | 233 |
| Taxation | 126 | 99 |
| Net profit | 189 | 134 |
| Interim* | 95 | 76 |

*Mr. L. Ryan has waived his entitlement to the interim on 2m. shares—£10,000.

Good progress has been made with all the preparatory and final work involved on installation of *additional* coal plants, and there are now eleven plants in production in South Wales, state the directors.

This, coupled with the benefit from an increase in selling prices from January, finds reflection in the substantial rise in profit. The long term plan for the installation of further plants continues.

The four plants planned originally for Ryan Europe S.A. (50 per cent. owned by L. Ryan) are now *in* operation. *Anglo Belgium* Coal Corporation S.A. (90 per cent. owned by L. Ryan) has two coal plants in production and the installation of a third plant is now planned.

Other than this installation all major capital expenditure in support of the Belgium operation has now been completed, members are told.

## DIVIDENDS ANNOUNCED

| | Current payment % | Date of payment | Corre-sponding div. % | Total for year % | Total last year % |
|---|---|---|---|---|---|
| Albany Investment ...int. | 3 | Oct. 30 | 3 | — | 8 |
| Alva Trust ...int. | 8 | Oct. 30 | 7 | — | 20 |
| British Isles Trust ...int. | 8 | Oct. 20 | 8 | — | 22 |
| Century Securities 2nd int. | 10 | Nov. 1 | 10 | 15 | 15 |
| East Sussex Eng'g. ...int. | 5½ | Nov. 26 | 5 | — | 15 |
| Higgs and Hill ...int. | 7 | Dec. 31 | 7 | — | 16 |
| Metalrax ...int. | 15 | Oct. 29 | *13.64 | — | *34.54 |
| Pataling Rubber ...int. | 6½ | Nov. 5 | 7½ | — | 37½ |
| Purle Brothers ...int. | 5 | Nov. 19 | 5 | — | 11 |
| Rosehaugh | 15 | Nov. 6 | 15 | 15 | 15 |
| L. Ryan ...int. | 10 | Nov. 30 | 8 | — | 16 |
| Stanwood Radio ...int. | 2½ | Nov. 30 | nil | — | 5 |
| Talbex | nil | — | 8½ | nil | 8½ |

* Equivalent after allowing for scrip issue. † Amount per share. (a) Tax free. (b) On capital increased by rights and/or acquisition issues.

## MINING NEWS

# Union Miniere's ne[w] Australian venture

BY LESLIE PARKER, MINING EDITOR

An interesting development in the Australian prospecting scene comes from Unimin, the Austra*lian subsidiary* of Belgium's Union Miniere. Along with two other major companies, Newmont Proprietary, a subsidiary of America's Newmont Mining Corporation, and Imperial Chemical Industries of Australia and New Zealand (ICIANZ), Unimin has negotiated a joint venture with Mount Carrington Mines.

The initial objective is the further exploration of leases held by the last-named company in northern New South Wales. If the *results* are positive the three new co-venturers could ultimately acquire a 60 *per cent. interest* in the area.

Mount Carrington came to market in April, 1970. ICIANZ subscribed for 10 per cent. of the shares. The part of the Drake mineral field concerned is a copper-gold-zinc prospect on which work already done has warranted an extensive drilling programme.

The interest therein shown by *such a powerful consortium* should provide a modicum of comfort for shareholders in Mount Carrington who paid 23.3p for the shares when the Australian exploration company was floated under good auspices and who now see *them* languishing at about 7p.

### THE WRITING O[N] THE WALL

What may be regarded [...] piece of the writing on the [...] in the context of the present [...] fused world economic situ[...] comes with the news from [...] ciated Australian Oilfields an[...] Conzinc Riotinto of Australia [...] sidiary Interstate Oil that [...] to the collapse of prices in [...] Europe and Japan they [...] agreed to a request from Ja[...] Marubeni-Iida for the postp[...] ment of the Yarrabee anthr[...] project.

A conference of the parties [...] cerned in Brisbane followi[...] world-wide demand and price[...] vey has established that co[...] ance of the project would b[...] practicable at present. The [...] ducers have therefore agree[...] accept postponement and c[...] lation of the present contrac[...] are *discussing* terms of [...] ment.

Production of 0.3m. tons [...] annum was initiated in the e[...] tation of increasing sales t[...] tons a year. It is concluded [...] if and when the present cur[...] crisis and world market po[...] for anthracite improves it [...] then be possible to re-est[...] production.

## BIDS AND DEALS

### CORNWALL PROP.—ALLIANCE

Merger terms have been agreed by Cornwall Property (Holdings) and Alliance Property Holdings through Cornwall making an offer on the following terms: for every four Ordinary of *Alliance*, three Ordinary of Cornwall plus 197p nominal 10 per cent. partly convertible unsecured loan stock 1976.

A cash alternative worth 105p for each Alliance share will be arranged.

The Cornwall loan stock will carry rights to convert in September of any of the years 1974-1976, *both inclusive*, 50 per cent. of the whole or any part of the loan stock held into Cornwall Ordinary at the rate of 5p nominal of Ordinary share capital for every 90p nominal of stock converted.

Cornwall, which has [...] advised by Slater Walker, a[...] owns 6.6 per cent. of Allian[...] holders of a further 6.3 per[...] have agreed to accept.

### REVISED GUS BID FOR HENRY

The auction for A. [...] Henry, continues with a ne[...] from Great Universal Stores [...] 88½p for each Ordinary co[...] with the rival United D[...] Stores bid worth 80p.

Terms are 7 GUS "A" [...] £1.86½ for every 7 Henry Or[...] The "A" will be entitled [...] advantage of the a[...] announced scrip issue by [...] but not rank for the fina[...] dend of 23½ per cent. for th[...] to March 31, 1971.

Gus and its associates ho[...] 3,970,684 Henry Ordinar[...] about 34 per cent. of the [...] capital.

هكذامن الأحول



# COMPANY NEWS + COMMENT

## WEDNESDAY

## Lead Industries first half downturn

A reduction from £4.14m. to £3.37m. in profit before tax is reported by Lead Industries Group for the six months ended June 30, 1971.

An unchanged interim dividend of 3½ per cent. is declared—the total for 1970 was 11 per cent. paid from profits of £7.35m.

| | Six months 1971 £000 | 1970 £000 | Year 1970 £000 |
|---|---|---|---|
| Trading profit, etc. | 1,964 | 2,692 | 4,786 |
| Associates | 1,404 | 1,446 | 2,565 |
| Profit | 3,368 | 4,138 | 7,351 |
| Estimated tax | 1,454 | 1,964 | 3,280 |
| Net profit | 1,914 | 2,174 | 4,071 |
| Minorities | 48 | 57 | 101 |
| Net balance | 1,866 | 2,117 | 3,970 |

The directors point out that the corresponding period in 1970 was exceptionally active, particularly on the metallurgical side, and overall the first-half results are very similar to those for the 1969 first half.

On the metallurgical side, world prices of lead and antimony have fallen considerably and, in line with this, the U.K. smelting activities are relatively quiet. The reduced demand for many products based on these and other metals experienced in the latter half of 1970 has continued.

In the paint and ceramic divisions, on the other hand, active though competitive trading has continued.

Profit of overseas companies also showed a reduction due to conditions on the metallurgical side and to the recurrence of inflationary conditions in Argentina. Associated companies showed a small reduction in earnings.

There is as yet little sign of an improvement in the U.K. economy and overall current trading is not significantly different from the position ruling in the first half, directors report.

### ● comment

The troubles apparent in the second half of 1970, when profits dipped 11 per cent., have continued into the first six months of 1971 and Lead Industries is now reporting a drop of 18½ per cent. at the pre-tax level. Little improvement in the trading position has been seen so far in the current half which suggests doubled first six months earnings as the likely outcome for 1971. This would put the shares at 122p on a prospective p/e of 11.7, which appears to have the situation weighed up nicely.

## Crest Homes 7½% extra and scrip

Reporting a sharp advance in profits, Crest Homes is raising its dividend from 32½ per cent. to 40 per cent. for the year to July 31, 1971, with a final of 25 per cent. In addition, a 1-for-1 scrip issue is proposed for holders registered October 15.

After being ahead from £181,664 to £250,286 at halfway, the year's pre-tax profit, which includes a full year from P and J Plant Hire and Haulage, increased to £806,000 from £525,000. Tax takes £329,000 (£230,000).

Cost of the dividend total is £128,000 (£99,000)—two directors have waived dividends totalling £17,000.

Current group trading activities are proceeding in a "very satisfactory" manner and the directors anticipate a further advance in profits in the current year.

## Warren Tea holds 6%

As foreshadowed, Warren Tea Holdings is maintaining its dividend at 6 per cent. for the year 1970.

Group profits were slightly better at £490,400 (£469,133) but after heavier tax of £130,740 (£102,700) and minorities £42,252 (£19,474), the attributable balance was down from £346,959 to £317,408.

Reserves are allocated £200,601 (£206,140) and the dividend takes £114,059 (same). The carry-forward is £38,739 (£35,991).

## Universal Underwear

AGAINST PROSPECTIVE forecasts of 25 per cent. and £130,000, the directors of Universal Underwear announce a dividend of 27½ per cent. and pre-tax profits of £151,246 for the year ended May 1, 1971. The final is 17½ per cent.

At half way, when profits were up from £14,000 to £76,000, directors said the full year's figure would exceed the forecast.

Turnover for the year was ahead at £1,225,020 (£931,975). After tax of £60,512 (£27,900) the net profit was £90,734 compared with £29,724.

Sales for the first 20 weeks of the current period show an increase of 21 per cent. over 1970-71. The company has opened a third factory in Worcestershire.

## Trinidad Canadian

In the six months to June 30, 1971, net surplus of Trinidad Canadian Oils advanced from £251,649 to £617,406.

The interim dividend is held at 7½ per cent.; the 1970 total was 15 per cent. from a net surplus of £445,000.

| | First half 1971 £ | 1970 £ |
|---|---|---|
| Turnover | 7,781,425 | 5,706,829 |
| Operating surplus | 846,282 | 257,750 |
| Oil and gas | 308,416 | 66,827 |
| Hotels | 375† | 16,224 |
| Invest trading | 111,134 | 21,668 |
| U.K. commercial | *368,725 | 159,939 |
| Investment income | 49,754 | 18,033 |
| Minorities | 78,840 | 24,143 |
| Net surplus | 617,406 | 251,649 |

After depreciation, etc. £229,420 (£30,407) debenture interest £77,597 (£7,337). * Including motor trade £142,962 (£116,535). † Loss (profit).

Results in the hotel division reflect the fact that three of the four hotels have been closed down, two during the period. It is hoped that the one remaining open will continue to contribute to profits.

In the U.K. commercial division a number of interesting new projects are under review and it is the intention to let this division expand and increase its contribution to group profit.

As from May 1, 1971, the senior executive management of the oil, gas and mineral producing divisions will continue to be provided through the Sterling organisation, but its remuneration will be restricted to a fee of £30,000 per annum and a royalty of 2½ per cent. of the production from all projects entered into by the group after that date. The area covered by these management arrangements has been extended from North America and Australia on to a world-wide basis.

The Sterling organisation has also been granted subject to shareholder approval an option on 300,000 Trinidad Canadian Ordinary shares at £2.25 per share, being approximately 200 per cent. of the market value of the stock (£1.14) at the effective date of re-organisation.

As from May 1, the operating companies will bear the cost of certain technical and administrative personnel previously borne by the Sterling organisation. All previous arrangements including the 10:2:10 terms and the option on 100,000 shares of Canadian Tricentrol Oils have been cancelled.

## Scholes tops forecast

Compared with a forecast of 7½p, George H. Scholes and Co. is proposing a final of 10p per 25p share, raising the total distribution from 11.25p to 15p for the year ended June 30, 1971. The 1969-70 total included a bonus of 2½p.

The increase in profit indicated turns out to be from £941,572 to £1,081,499 before tax. This advance (14.9 per cent.) was achieved on sales ahead by 16.4 per cent.

The directors, in view of the company's strong liquidity position, are again proposing a distribution of substantially all the year's available profit.

| | 1970-71 £ | 1969-70 £ |
|---|---|---|
| Profit | 1,081,499 | 941,572 |
| Surplus factory sale | — | 9,471 |
| Taxation | 435,000 | 420,000 |
| Net profit | 646,499 | 531,043 |
| Tax written back | 34,624 | — |
| Dividends | 642,600 | 481,950 |
| Retained profit | 38,523 | 49,093 |

Principal activities are the manufacture of electrical small-switch and fusegear and accessories under the trade-names "Wylex" and "Sonex."

### ● comment

Demand tailed off in January to June for Scholes, hence the group's slower second half with profits growth down to 11 per cent., pre-tax, against 19 per cent. July to December. The current year is devoid of progress clues, although the extra dividend may be a pointer, and margins are holding up well enough with second-half sales 12 per cent. higher. But at 270½p after a rise this year of 60 per cent. along with the electrical sector, a p/e of 17½ may demand a little more tangible support.

## BOC £5.9m. net after nine months

GROUP NET attributable profits, after tax and minorities, of British Oxygen at £5,944,000 for the nine months to June 30, 1971, are £465,000 up on the corresponding 1970 period.

The balance was showing an improvement of £306,000 at £3,922,000 at the end of the first six months. For all of the year to September 30, 1970, the net figure was £7,704,000.

In their interim report last June, the directors said the general expected growth in U.K. profits had been achieved but Metals Division had had to face a sharp fall in demand which severely reduced its contribution and there had been also a slackening in demand for some equipment products. It then seemed unlikely they added, that there would be any substantial recovery in these areas during the remainder of the financial year.

| | Nine months 1971 £000 | 1970 £000 | Year 1969-70 £000 |
|---|---|---|---|
| Sales | 176,468 | 151,546 | 207,858 |
| Operating costs | 143,858 | 122,468 | 168,560 |
| Leaving | 32,610 | 29,078 | 39,298 |
| Depreciation | 10,624 | 9,560 | 12,763 |
| Trading profit | 21,986 | 19,512 | 26,535 |
| U.K. and Europe | 11,133 | 9,557 | 12,420 |
| Overseas | 10,853 | 9,955 | 14,115 |
| Dev. and research | 1,761 | 1,850 | 2,559 |
| Profit | 20,225 | 17,662 | 23,976 |
| Interest | 5,728 | 4,034 | 8,466 |
| Pre-tax profit | 14,497 | 13,628 | 15,510 |
| Tax | 6,825 | 6,537 | 8,548 |
| Minorities | 1,728 | 1,612 | [illegible] |
| Attributable | 5,944 | 5,479 | 7,704 |

## BET to exceed £10m. net

While stressing that any forecast could be rendered unrealistic by a deterioration in the economy, Sir John Spencer Wills, chairman of the British Electric Traction Company, feels that current year net attributable profits should exceed £10m., compared with £9m. in 1970-71.

Referring to the change in the group's interests pattern since the sale of the U.K. bus interests in 1968, he points out that in 1967 some 22 per cent. of net earnings came from passenger road transport at home, while to-day, with the £36m. sale proceeds re-invested, "not only do we derive an increased income from a larger number of sources, but our new businesses are in what we consider to be growth areas."

It was only in the past year that the group really began to reap the benefits of the ground work put into the development and expansion of the businesses in which it invested. "We should reap further benefits from the development and expansion of these interests in the current year," says Sir John.

As reported, September 3, pre-tax profit for the year ended March 31, 1971, was £19,036,000, compared with £18,074,000, and dividends totalled 20 per cent. (18½ per cent.).

All sectors produced improvements in attributable profit apart from Rediffusion Television and Rediffusion which were "disappointing," and films and television company Humphries Holdings, which had a "disastrous" year through lack of work.

Investments are now shown in the balance sheet at cost instead of at par or cost less net surplus on realisations. At March, 1970, the accumulated net surplus arising from realisations amounted to some £13.2m., and this has been transferred to capital reserve.

Chairman's emoluments were £47,205 (£43,205). "Take-home" pay came to £9,844.

Meeting, Connaught Rooms, W.C., October 14, at 12.15 p.m.

## BICC profit & interim up

British Insulated Callender's Cables has made a very good start to 1971, reports the chairman, Lord McFadzean. And as progress is being maintained he is confident the year's results should show the overall improvement he forecast in April.

For the first six months to June 30, 1971, operating profit at £17m. is an increase of 20 per cent. over last year, while the net balance attributable at £5.57m. is an advance of 34 per cent.; and a "further encouraging step to the return we simply must earn to ensure the continued development of the group."

Lord McFadzean

The interim dividend is raised from 2.25p to 2.5p per 50p share, from stated earnings of 5.36p (4.28p); the 1970 total was 7p from earnings of 9.30p.

| | First Half 1971 £000 | 1970 £000 |
|---|---|---|
| External sales | 208,000 | 226,000 |
| United Kingdom | 107,000 | 113,000 |
| Exports | 31,000 | 34,000 |
| Overseas | 70,000 | 79,000 |
| Operating profit | *16,974 | 14,873 |
| Investment income | 31 | 61 |
| Finance charges | 3,615 | 3,734 |
| Pre-tax profit | 13,390 | 10,379 |
| Taxation | †6,335 | 4,835 |
| Net profit | 7,055 | 5,544 |
| Exceptional credits | ‡269 | 527 |
| Balance | 7,324 | 6,071 |
| Attrib. to BICC | 5,841 | 4,214 |

* Includes £2.36m. (£1.58m.) share of associates and after depreciation £5.02m. (£4.78m.) and directors' emoluments £138,000 (£115,000). † U.K. £1.66m. (£827,000), overseas £4.67m. (£4m.). ‡ Mainly profits on disposal of surplus properties and investments.

The reduction in sales value is due to the lower prices for metals and for copper in particular, the average price of the latter being around 30 per cent. less than for the corresponding period of last year.

Overseas operations continued to make progress and home operations have come up to "best expectations." Other vital factors have been the continuation and expansion of the same favourable reasons which contributed to profit growth in 1970, namely, steady demand; benefit of heavy capital expenditure; a still higher overall efficiency; and good industrial relations.

In finance charges, the substantial savings through lower overdrafts and interest rates have more than offset the higher total charge for the dollar financing of the shareholding in General Cable Corporation, which charge only applied for part of the first six months of 1970.

In line with the most up-to-date accounting views, comparative figures have been restated so as to charge against operating profit and exclude from exceptional items the reorganisation expenditure of £896,000, less tax relief of £369,000.

The latest accounts of Tersona, for the year to March 31, 1971, disclose that no further provisions are required against losses and, therefore, the BICC group results for the half-year have not been affected.

## 3% cut by Calcutta Electric

A FINAL dividend of 5 per cent. by Calcutta Electric Supply Corporation cuts the total from 13 per cent. to 10 per cent. for the year ended March 31, 1971.

Gross revenue for the year was £18,152,659 (£16,942,819), and expenditure £16,719,819 (£15,551,449).

At half way, it was stated that clear profit would again fall below the level corresponding to "reasonable return" and that, taking the year as a whole, it would not suffice to support a maintained dividend.

Interest on debentures and debenture redemption reserve was £572,917 (£263,802). Contingencies reserve fund £106,973 (£103,765). Indian tax £401,493 (£276,969), and U.K. tax credit £928 (charge £9,395).

To General reserve nil (£150,000) and transfer from contingencies reserve £194,444 (nil). Transitional tax relief nil (£106,625). Forward £87,181 (£100,938).

## Alfred Clough forecasts 10%

Earthenware manufacturers Alfred Clough anticipates that group pre-tax profits for 1971 will be not less than £100,000, compared with £21,399 previously, and in that event the directors raise the dividend by 5 per cent. to 10 per cent.

The pre-tax figure for the half-year ended June 30 amounted to £64,000.

Consideration is being given to the terms which would be appropriate to holders of both classes of Ordinary shares for the enfranchisement of the non-voting "A" Ordinary and it is intended to submit these proposals before the year-end.

The directors report that considerable progress has now been made in solving the problems of recent years and they feel that the present outlook is encouraging.

## Extra 3% by Matthew Clark

Wine and spirit shippers and merchants Matthew Clark and Sons (Holdings) is raising its dividend by 3 per cent. to 15 per cent. for the year to April 30, 1971. The final is 9 per cent., against 7 per cent. forecast.

After the 1969-70 setback when the dividend was cut by 2½ per cent., profits show more than a recovery. Trading profit came to £745,144 (£406,418) and the pre-tax balance to £631,679 (£319,843).

Deducting tax £257,384 (£152,897) and minorities £66,555 (£36,133), the attributable profit is £311,911 (£137,129).

The directors state that the improvement results from increased sales in most commodities and a lack of exceptional items which were incurred in the previous year.

Sales for the first four months of the current year are in general better than last year and, unless the economy deteriorates, they would expect this trend to continue, giving results in excess of those now published.

## Vavasseur to hold profit

DIRECTORS of J. H. Vavasseur and Co. believe the group's 1971 results will not be materially different from the record £914,782 pre-tax of 1970.

In the half-year to June 30, 1971, profits advanced from £383,000 to £428,000. The interim dividend is effectively raised from 4.16 per cent. to 5 per cent.—previous total was equal to 12.5 per cent.

| | Half-year 1971 £ | 1970 £ |
|---|---|---|
| Profits before tax | 428,000 | 383,000 |
| Tax | 182,000 | 161,000 |
| Net profit | 246,000 | 222,000 |
| Minorities | 42,000 | 1,000 |
| Preference dividend | 3,000 | 3,000 |
| Available | 201,000 | 218,000 |

The directors say they are "disappointed" with the results. The metal broking subsidiary, J. H. Vavasseur-Kirk, has engaged in unprofitable business—management changes have taken place, and they believe losses are now arrested. Vavasseur-Kirk will incur some bad debts that will affect the results for the second half.

Other subsidiaries are making good progress and prospects for continued growth in 1972 are "favourable."

The group is concerned with investment and financial services, banking, contract selling of advertising space, holiday and travel finance.

### ● comment

But for its metal brokers, 1971 would have been quite a year for Vavasseur. Adding back six month losses at Vavasseur-Kirk takes profits January to June up to around £678,000 pre-tax for growth of almost four-fifths. Dealing profits are now negligible and the unit trusts are marginally in the black. That leaves the basic (and fast) growth coming from foreign exchange brokers Harlow Meyer, and the rest of the property, banking activities. On a 1972 view—cum loss elimination, and bearing in mind that Vavasseur was initially going for around £100,000 from V-K—the shares may prove attractive on an historic p/e of 15.3 at 152p.

## Staplegreen downturn

Staplegreen Insurance Holdings announces a drop in pre-tax profit from £1,979,000 to £1,774,000 in the year ended March 31, 1971. A final dividend of 9p per 25p share maintains the total at 12½p.

Tax takes £765,000 (£951,000) to leave profit after tax at £1,009,000 compared with £1,028,000.

Profit on sale of unquoted investments was £55,000 (£37,000) and minority interests £150,000 (£221,000).

Figures for the year include the Hartley Cooper Group.

### ● comment

Staplegreen's preliminary statement—showing pre-tax profits 10 per cent. lower—disappointed. At attributable level, however, there has been a 12½ per cent. advance but with a sharp increase almost certain in underwriting returns over the year the suggestion is a considerable setback in both brokerage and investment income contributions. The p/e of 17.9 at 322p, compares with an historic sector average of over 20.

## IDC looks for £½m.

Results of The IDC Group for the year to October 31, 1971, will show an improvement over 1970 and it is expected pre-tax profits will reach approximately £½m., chairman, Mr. H. Hicks states.

Profit for the first half is ahead at £202,346 (£153,246). For the full previous year it was £453,264 after terminal losses of £74,820.

The interim dividend is maintained at 12 per cent. Total for 1969-70 was 42 per cent.

The chairman points out that, as usual, due to taking profits on completion of projects, the interim accounts are of little value.

The chairman and his wife continue to waive dividends. Principal activities include the design and construction of industrial and commercial buildings.

## DIVIDENDS ANNOUNCED

| | Current payment % | Date of payment | Corresponding div. % | Total for year % | Total last year % |
|---|---|---|---|---|---|
| Assam Consolidated | 10 | — | 8 | 10 | 8 |
| BICC ...int. | †2½p | Nov. 19 | 2¼p | — | 7p |
| Bank of Scotland ...int. | 9 | Oct. 15 | 9 | — | 19 |
| Matthew Clark | 9 | — | 6 | 15 | 12 |
| Cables Trust ...int. | 6¼ | Sept. 29 | 6¼ | — | 20 |
| Calcutta Electric | 5 | Nov. 18 | 6¼ | 10 | 13 |
| Crane Fruehauf ...int. | 5 | Nov. 20 | 4 | — | 10 |
| Crest Homes | 25 | Dec. 17 | 20 | 40 | 32½ |
| Henry Foster Bldg. ...int. | 7½ | Nov. 8 | 5 | — | 12 |
| IDC ...int. | 12 | Oct. 29 | 12 | — | 42 |
| C. H. Johnson ...int. | Nil | — | 5 | — | (c)11 |
| Lead Industries ...int. | 3½ | Nov. 30 | 3½ | — | 11 |
| Raine Engineering | 15 | — | 15 | 23 | 23 |
| Geo. H. Scholes | †10p | Nov. 24 | (d)8.75p | 15p | 11.25p |
| Scottish Australian | 2½ | Nov. 29 | 2½ | 2½ | 2½ |
| Southern Constructions ...int. | 5 | Oct. 27 | 5 | — | 25 |
| Small & Tidmas ...int. | 10 | Nov. 30 | 7½ | — | 12½ |
| Staplegreen | †9p | Oct. 26 | 9p | 12½p | 12½p |
| Stocklake | 11¼ | Oct. 27 | 10 | 17 | *15.62 |
| Trinidad Canadian ...int. | 7½ | — | 7½ | — | 15 |
| Utd. Capitals Trust ...int. | 2½ | Nov. 8 | 2½ | — | 5½ |
| Universal Underwear | 17½ | Oct. 28 | — | (e)27½ | — |
| J. H. Vavasseur ...int. | 5 | — | *4.16 | — | *12.5 |
| Wadham Stringer ...int. | 6 | Nov. 29 | 6 | — | 14 |
| Warren Tea | 6 | Nov. 11 | 6 | 6 | 6 |
| H. Woodward ...int. | 6 | Oct. 18 | 5 | — | 20 |

* Equivalent after allowing for scrip issue. † Amount per share. (a) Tax free. (b) On capital increased by rights and/or acquisition issues. (c) For 9 months. (d) Included bonus 2½p. (e) 25 per cent. was forecast in prospectus.

## Crane Fruehauf setback

A fall of £214,000 to £514,000 in profit before tax is reported by Crane Fruehauf Trailers for the six months ended June 30, 1971.

This reduction is attributable to technical and production difficulties in the Container company and from the need to provide for penalty charges for late delivery of containers which resulted in a half year loss of £221,000, explains chairman Mr. R. G. Hooker.

The remainder of the company's activities have maintained a good level of sales and profits. The new developments in vans, tankers and trailer rentals are making satisfactory progress and prospects are "encouraging."

An interim dividend of 5 per cent. is declared. This is half the annual rate of dividend of 10 per cent. in respect of 1970 and compares with an interim of 4 per cent. last year. Profit for 1970 was £1.43m.

| | Six months £000 | |
|---|---|---|
| Sales | 8,967 | 9,598 |
| Profits | 514 | 728 |
| Taxation | 206 | 328 |
| Minority interests | 22 | 15 |
| Net balance | 286 | 384 |

### ● comment

Crane Fruehauf's 30 per cent. fall in pre-tax profits took the market by surprise on Tuesday and despite recent evidence of stagnant demand for both trailers and containers (90 per cent. of CF's turnover in 1970), the shares fell 12p to 56p. With no indication of a pick-up in demand for either product yet the group's chances of a second-half recovery seem slight, so the shares although now standing at 51p still remain vulnerable on a prospective p/e of 13.7 (doubling first half profits).

## Stocklake pays 17% total

Pre-tax profit of Stocklake Holdings rose from £944,857 to £1,530,119 in the year to March 31, 1971, after being £127,000 down to £469,000 at half-way.

The dividend is effectively raised from 15.625 per cent. to 17 per cent. with a final of 11¼ per cent.

Profit includes £409,000 (£244,000) earned in Rhodesia not currently remittable to this country.

| | 1970-71 £ | 1969-70 £ |
|---|---|---|
| Profit | 1,530,119 | 944,857 |
| U.K. tax* | 87,705 | 93,048 |
| Overseas tax | 503,871 | 296,988 |
| Net profit | 938,543 | 554,821 |
| Minorities | 235,547 | 151,620 |
| Attributable† | 664,309 | 403,201 |
| Dividends | 178,915 | 164,444 |
| Capital reserve | 8,878 | -29,280 |
| Scrip issue | — | 324,510 |
| Balance forward | 1,491,615 | 984,927 |

* After deducting £144,650 (£63,283) relief for overseas tax. † After £8,691 (nil) loss on realisation of investments.

Meeting, Winchester House, E.C., October 26, noon.

## Bank of Scotland growth

Pre-tax profit of the Bank of Scotland rose from £4,159,000 to £5,002,000 in the six months to August 31, 1971. The interim dividend is held at 9 per cent.

Previous total was 19 per cent. paid from profit of £8,769,000.

Directors say the increased profit stems from the further expansion of business and the success of sustained efforts to improve earnings and efficiency to offset steeply rising costs.

The effect of the new measures for credit control and competition are difficult to foresee, they add, and feel it prudent to await the outcome of the full year's trading before deciding whether an increased dividend is justified.

| | 6 months 1971 £000 | 1970 £000 | Year to 1970-71 £000 |
|---|---|---|---|
| Profit | 5,002 | 4,159 | 8,769 |
| Tax | 2,029 | 1,912 | 3,850 |
| Net profit | 2,973 | 2,247 | 4,919 |
| Addtnl. Provsn.* | — | — | 267 |
| Ord. dividend | 1,161 | 1,161 | 2,451 |
| Retained | 1,812 | 1,086 | 2,181 |

*For bad and doubtful debts.

## East Sussex to pay 1½% more

Profits, before tax, ahead from £321,954 to £345,000 are forecast by the East Sussex Engineering Group for 1970.

The directors continue to view the future with increasing confidence and they intend to raise the dividend from 15 per cent. to 16½ per cent. An interim of 5½ per cent. against 5 per cent. is now declared.

Profit for the six months to June 30, 1971—after providing interest on the 6 per cent. Convertible loan stock—amounted to £161,532 compared with £150,300.

The difficulties encountered in the opening months have been contained and while certain sections continue to be adversely affected, the trend is to an overall improvement in the group as a whole, states chairman Mr. E. J. Burchell.

## H. MACKAY

In his interim statement to shareholders of Hugh Mackay and Co., chairman Mr. John Mackay says it was encouraging that purchase tax on carpets was reduced in July. New ranges of design and quality have been launched for the autumn trade, the volume of which "we confidently expect will permit us to meet or surpass the even higher sales targets we have set ourselves."

As reported on September 10, first-half profit was £235,000, compared with £224,500, which included £181,500 insurance recovery.

## Wadham Stringer

Continued reorganisation and restructuring, together with generally improved trading conditions and the high availability and acceptability of British Leyland products, has enabled Wadham Stringer to show further progress.

For the six months to June 30, 1971, turnover, excluding purchase tax, has risen from £14.33m. to £16.44m. and profit before tax from £403,000 to £501,000.

Tax takes £200,400 (£192,000) leaving a profit of £300,600 (£211,000), of which £6,879 (£10,883) is attributable to minorities. The interim dividend is held at 6 per cent; the 1970 final was 8 per cent.

Mr. F. C. Stringer, chairman, says the company is already starting to benefit from the reduction in purchase tax and the abolition of hire purchase controls, and he welcomes the further reduction in Bank Rate. This easing of controls and better availability of credit facilities will bring continued improvement in performance in the second half, and he looks to a further increase in profits for year.

### ● comment

With both pre-tax profits and margins well ahead in the first six months of 1971, Wadham Stringer looks set for a bumper year. The car retailing side received a boost from the introduction of BLMC's Marina and Ford's short fall in supply and sales should again show an upturn when the effects of the Mini-Budget come through. So the group should be able to lift annual earnings to nearly 2½p a share—against 1½p last year—leaving the shares fully valued on a prospective p/e of 15.8 at 36p.

## Procter & Gamble

Procter and Gamble reports a net profit of £3,786,000 for the year ended June 30, 1971, compared with £2,916,000 after tax of £2,265,000 (£2,440,000). Turnover is up from £65.9m. to £68.7m.

In terms of sales volume, turnover and profits this has been a satisfactory year, the directors state. A useful contribution to the profit advance was made by export business which achieved record sales.

The report notes the intensely competitive conditions which characterise its markets, deriving in part from the nature of the products themselves which are low in price and purchased frequently.

A new detergent plant at the Essex factory has come on stream, reaching the planned level of production in a third of the time predicted. Further investment is seen in another major construction project, a new distribution centre near London, expected to be operational by 1973.

## Henry Foster interim up

Henry Foster Building Products, of Bishop Auckland, Co. Durham, is stepping up its interim dividend from 5 per cent. to 7½ per cent.

Pre-tax profit advanced from £40,321 to £132,855 in the half-year to June 30 and the directors are confident their forecast of a record of not less than £250,000 for 1971 will be attained.

In the full year 1970, pre-tax profit was £172,358, on which dividends totalled 12 per cent.

First-half net profit rose from £22,321 to £81,355, after tax up from £18,000 to £51,500. Cost of the interim is £35,625 (£23,750).

Directors say demand for bricks improved considerably compared with the six months to June 30, 1970 and all stocks have been sold. The new kiln at Ravenhead has been successfully commissioned and production is gradually increasing.

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## Scottish Australian

Against a half-way forecast of similar net profit, results of the Scottish Australian Company for the year to June 30, 1971, show a drop from £138,951 to £94,944. As before there is no tax charge.

The directors are again recommending a 2½ per cent. dividend.

## SAMUEL MONTAGU

Samuel Montagu has opened a regional office in Sheffield to serve industrial and commercial clients. The regional adviser is John E. Johnson, previously the Midland Bank's Sheffield regional director.

# BIDS AND DEALS

## Cavenham bids for Wright's & Moore's

With scarcely a breath after its successful bid for Bovril, Mr. Jimmy Goldsmith's Cavenham Foods group announces it is to make bids worth a total of nearly £10m. for Wright's Biscuits and its associate company Moore's Stores.

Proposed terms are not designed to please the market, however. For Cavenham will put a value of 45p on each Wright's Ordinary and "A" Ordinary compared with the 82p (up 5p) at which the Ordinary stood before the announcement.

Mr. W. Webster, Wright's 72-year-old chairman, and his wife have agreed to sell to Cavenham their holdings in Wright's totalling 41 per cent. of the votes. They have also agreed to sell their holding in Moore's, totalling 5 per cent. of the equity, to Cavenham, and Wright's holds a further 42 per cent. of Moore's.

The purchases are conditional on Exchange Control consents and a satisfactory accountants' report. (There is also the possibility of a counter bid in view of Wright's assets which have a book value of more than 100p a share.)

Wright's is expected to make a loss of more than £500,000 for the year to July 3, 1971 (£59,310 in the previous 12 months).

If the offers go unconditional, Cavenham intends to enter into arrangements with the Southland Corporation whereby the interests in Wright's and Moore's will be part of the joint operations of Cavenham and Southland.

Cavenham has about 400 confectionary and tobacco shops which are to be jointly owned with Southland of Dallas, Texas. Apart from its biscuit manufacturing interests, Wright's has more than 500 retail outlets while Moore's has 620 or so.

### COMMERCIAL UNION IN CANADA

The Commercial Union group has completed negotiations for the acquisition of Planned Investment Corp. of Montreal, a mutual fund management and distribution company.

Planned Investment manages Taurus Funds, Planned Resources and Canada Growth Fund. Commercial Union at present does not offer any mutual funds in Canada.

Since dual licensing of fund and life insurance salesmen became possible in Canada over a year ago, a number of life companies have made arrangements with mutual fund management firms to sell each others products. Approval of the deal has been won from both the Ontario and Quebec Securities Commissions.

### KUKICHERRA

Shareholders of Kukicherra Tea are told that a deed of conveyance in respect of the sale of the company's estates in India has been finally executed and the properties were transferred on September 10.

The various formalities remaining are being processed as quickly as possible but it will still be some little time before the net amount due for repatriation is agreed.

### CONSTABLE HART

The offer from Thomas Roberts (Westminster) for Constable Hart and Co. has been allowed to lapse but the Roberts' Board has indicated it would be willing to make a new one of 42½p cash for each CH ordinary (compared with the first bid of 32p and the second of 37½p) provided the CH directors would be prepared to recommend its acceptance.

### WILLINGS SIGN

A new company, Willings Sign Division, has acquired from the Receiver, Mr. D. G. W. Ballard, the business previously carried on by the Sign Division of the Willing Group.

Willings Sign Division will continue to operate from the existing modern factory premises in Bilton Road, Perivale; Mr. P. M. Farnfield, Mr. J. W. H. Hobbs, and Mr. P. T. Robson are directors under the chairmanship of Mr. Ballard.

### ASSOCIATES DEALS

Simon and Coates last Friday sold on behalf of an associate 2,000 Broadview Financial Trust at 54½p.

Hill Samuel on Friday bought for an investment client 12,500 Grimshawe Windsor at 37½p.

N. M. Rothschild announces that on September 20 R. G. Shaw and Co. purchased 325,000 Seafield at 61p and Kempas (Malaya) Berhad purchased 20,000 Seafield at 62p. Both companies are associates of Sime Darby Holdings.

## MINING NEWS

### EARNINGS HIT AT BH SOUTH

As foreshadowed by the half-year results, Australia's lead-zinc-silver-copper producing Broken Hill South has suffered a 64 per cent. fall in earnings for the full year to June 30. Consolidated net profits have dropped to $2.66m. ($1.24m.) from $7.39m. in 1969-70 and the final dividend is cut to 4 cents (1.87p) to make a total of 7 cents (3.27p) against 14 cents.

Inevitably, earnings have been hit by a fall in metal prices, notably that of copper. Gross proceeds from sales declined by 30 per cent. and, presumably, there will have been a rise in operating costs.

Hopes of a recovery in the current year may be largely dependent on the success of President Nixon's measures to reflate the U.S. economy. Meanwhile, the company's Cobar copper mining subsidiary reports that production ceased on August 23 owing to a strike of members of the Australian Workers' Union.

This arose from an issue involving the manning of machines. At the union's request the dispute was submitted to the Industrial Commission of New South Wales. On August 25 the latter directed the union members to return to work, but this direction has not been observed and there is no indication when ore production is likely to be resumed.

### SUNGEI BESI'S DIVIDEND HINT

There is a little more cheer for shareholders in Sungei Besi Mines in the annual statement by the new chairman, Mr. J. G. Richardson. He says that overall production for the current year to next March has been maintained at a high level. So, given a reasonable price for tin, it is possible that profits and the company's financial position could justify a resumption of dividends earlier than previously forecast.

As the original official prediction indicated a return to the dividend list in 1972-73 this looks to be a hint that there could be a payment for the current year. Since March 31 the company's bank overdraft has been eliminated. Contributions to the third buffer stock amounting to £213,401 are expected to be repaid during 1971-72.

Sungei Besi's five-month production total this year is 1,068 metric tons, compared with only 647 tons at this time last year. Tronoh has a 25.7 per cent. equity stake in the company.

## RESULTS AND ACCOUNTS IN BRIEF

**ALBANY INVESTMENT TRUST**—Interim 3 per cent. for the year ending February 28, 1972 (same—total was 8 per cent.). Gross revenue, half-year to August 31, 1971, £32,550 (£35,969) and £62,089 year to February 28, 1971. Break-up value per share 46.86p (34.79p and 36.7p). Fall in gross revenue is due to the incidence of dividends—in the previous year there were exceptional items—and to switching from high-yielding investments including short-term bank deposits to lower-yielding investments. Although anticipated gross revenue for the year will be lower than for previous year, directors are confident that the dividend will be maintained and covered.

**ASSAM CONSOLIDATED TEA ESTATES**—Dividend 10 per cent. (8 per cent.) for 1970. Profit £47,259 (£40,638), after tax £40,600 (£44,250). Reserves totalling £523,987 have been used (£112,108) to absorb loss on sale of tea estate and £411,879 to write down book value of remaining tea estates and coffee estate.

**HANK AND COMMERCIAL HOLDINGS**—Results year to March 31, 1971, reported September 11. Fixed assets £618,357 (£777,557). Current assets £963,260 (£1,094,674). Liabilities £732,164 (£666,198). Turnover £1,142,615 (£992,640) comprising shoe manufacture £498,240 (£336,300); tour operating £272,786 (£201,790); engineering £151,885 (£100,378); property investment and development £197,143 (£310,325); finance £22,579 (£16,348); cemetery operating nil (£21,446). Chairman says prospects generally are encouraging and commercial activities are still buoyant although present uncertainty affecting engineering industry make it unlikely that this sector will reach "excellent result" made last year. However, Board consider present overall climate indicates quiet optimism for future. Revenue results from the property portfolio do not realistically reflect potential which he feels this side of company's investment offers and which with enlarged portfolio should be self-evident in the future. Meeting, Bedford, October 14, noon.

**C. H. JOHNSON AND SONS** (manufacturers of fine-mesh wire cloth)—No interim dividend as forecast (5 per cent.—11 per cent. total for nine months to January 2, 1971). Turnover for six months to July 3, 1971, £946,806 (for six months to October 3, 1970, £1,050,731). Pre-tax profit £21,478 (£127,870) after depreciation £26,869 (£24,029). Tax £8,600 (£54,500) leaving £12,878 (£73,370). Board states that during period under review company has had to bear increasing costs with no corresponding increases in prices, but there has been partial restoration of margins since July 3.

**MAIDENHEAD INDUSTRIAL INVESTMENTS**—Turnover six months to March 31, 1971 £187,151 (£166,260 and £372,193 for year to Sept. 30, 1970). Profit £10,108 (£7,026 and £11,535). Next Annual General Meeting will be held in 1972 when Accounts will cover the eighteen month period ending on March 31, 1972 and interim statement covering the period to September 30, 1971 will be published later this year. Considerable improvement in profitability likely to continue for some time subject to a buoyant building industry. As a result of offer in November last year, Alliance Property Co., a fully owned subsidiary of Alliance Property Holdings, now owns 77.6 per cent. of the issued share capital.

**FRANK MASON AND CO.** (advertising contractors)—Results year ended March 31, 1971, reported September 8. Group fixed assets £698,602 (£677,441), current assets £655,826 (£639,660), and liabilities £563,371 (£569,088). Chairman is confident that the upward trend will continue and current year's results should continue the recovery of company's fortunes. Meeting, Thornton Heath (Surrey), October 13, at noon.

**NEDEEM TEA COMPANY**—Revenue profit for 1970 season £28,931 (loss £55,504). Depreciation £40,707 (£42,229). Short term interest £59,233 (£41,111). Adjustments other interest etc. £3,026 (£11,135). Superannuation allowance £1,100 (£1,100). Interest on 6 per cent. Notes nil (£1,515). Premium on final redemption of 6 per cent. Notes nil (£506) leaving £68,083 (£130,830). Development rebate reserve £750 (£950). Development allowance reserve £3,450 (£3,300). Preference dividend nil (£6,730). Deficit to reserves £73,283 (£141,830).

**PALMERSTON INVESTMENT TRUST**—Result year to March 31, 1971 reported July 17. Fixed assets £665,360 (£657,767). Investments £1,296 (£2,668). Current assets £8,834 (£7,907) and liabilities £62,294 (£107,960). Meeting Winchester House, E.C., October 15, noon.

**RAINE ENGINEERING INDUSTRIES**—Final 15 per cent., making 23 per cent. (same) for year to June 30, 1971. Turnover £4,745,402 (£4,461,121). Pre-tax profit £178,338 (£193,733). Profit after tax £107,338 (£98,868).

**JOHN C. SMALL AND TIDMAS** (textile manufacturers)—Profit six months ended June 30, 1971 £91,400 (£37,000 and £57,400, 12 months 1970). Benefit felt from reorganisation of production which has enabled the company to remain profitable on narrow margins now prevailing. In spite of difficult conditions directors feel position justifies restoration of interim to the 10 per cent. paid in 1969 (1970 int. 7½ per cent. and final 5 per cent.). Hoped that improvement in the first six months will be maintained. Additional plant being installed to augment production and to take full advantage of new developments.

**SOUTHAMPTON, ISLE OF WIGHT AND SOUTH OF ENGLAND ROYAL MAIL STEAM PACKET**—Pre-tax profit six months to June 30, 1971, £63,726 (£78,215). To tax £25,491 (£28,000). Net profit £38,235 (£50,215). Interim 6 per cent. (same) already known. Board of opinion that results for year will show improvement over 1970.

**SOUTHERN CONSTRUCTIONS (HOLDINGS)**—civil engineering, public works and building contractors—Interim 5 per cent. (same—total was 25 per cent.). Sales, half-year to June 30, 1971, £1,547,513 (£1,260,311). Profit before tax and depreciation £117,848 (£144,259). Pre-tax profit £100,577 (£119,736). Tax £40,250 (£53,890) leaving net profit £60,327 (£65,868).

**UNITED CAPITALS INVESTMENT TRUST**—Gross revenue half-year to June 30, 1971, was £10,774 (£11,632) and estimated gross revenue for year 1971 is £64,000 (£50,379). Break-up share value per share approximately 32.1p at June 30, and about 36p at September 16. Interim dividend 2½ per cent. (same) and minimum final 6 per cent. (5½ per cent.) forecast.

**VAN DIEMEN'S LAND CO.**—Net profit year ended June 30, 1971 $A2,578 ($6,756). Dividend $10,083 (same). Forward $136,394 ($143,899). Fixed assets $814,442 ($798,946). Investments $136,788 ($168,302). Current assets $159,018 ($150,865) and liabilities $175,641 ($138,884). Meeting, 30, Cursitor Street, E.C., Oct. 14 at noon.

**H. WOODWARD AND SON** (commercial vehicle distributors and body builders, sawmill owners etc.)—Interim dividend 6 per cent. (5 per cent. on total 20 for nine months) for year to September 30, 1971. In view of change of year end no comparative figures for the corresponding period of 1970 are given: Group turnover six months to March 31, 1971, £2,134,008. Trading Profit including Miscellaneous Income £199,028 less Depreciation £27,876. Bank Interest £1,376. Auditors' Remuneration £2,200. Profit before Taxation £167,576. Taxation £67,300. Profit after Taxation £100,276. Towards end of first half year trading became difficult and trend continued into the second half, states Board. Last quarter shows improvement and it is considered that year will be satisfactory.

# COMPANY NEWS + COMMENT

## THURSDAY

## British Vita profit and interim up

MANCHESTER-based rubber and plastics group British Vita has lifted its first-half pre-tax profit from £815,000 to £991,000 and its interim dividend from equal to 6 per cent. to 10 per cent.

Last June, at the time of the offer, subsequently lapsed, for Miles Redfern, the directors forecast maintenance of the actual 20 per cent. total dividend on capital as increased by the one-for-four scrip issue. Pre-tax profit for all of 1970 was £1.7m.

Chairman Mr. Norman Grimshaw says both home and overseas profits increased. In particular, profits of the overseas associated companies were substantially higher.

However, in the latter part of the period and the start of the third quarter, margins in the U.K. were affected by the general slackening of activity. Since July, the company in the U.K. has been awaiting the effect of the stimulus given to the economy by the Government. Currently, consumer markets supplied by customers are reporting increased order books and given settled industrial relations within the industries supplying these markets, the increases should be reflected in group results.

Expansion of international activities is proceeding, the chairman adds.

| | Six months 1971 £000 | 1970 £000 |
|---|---|---|
| External turnover | *9,181 | 8,410 |
| Trading profit | 685 | 617 |
| Share pfts. assocd. cos. | 375 | 255 |
| Investments grants | 43 | 45 |
| Making | 1,103 | 917 |
| Interest charges | 112 | 102 |
| Profit | 992 | 815 |
| Tax | 396 | 346 |
| Net profit | 595 | 469 |

* Excludes sales to associates.

### ● comment

British Vita's first-half jump of 21 per cent. pre-tax was achieved against a background of sluggish demand in the U.K. and the main impetus came from overseas, where profits rose 47 per cent. The progress abroad has been maintained so far in the second half, and with consumer spending currently at a high level there seems a good chance of a pick-up at home in the final quarter, especially in the furniture and footwear divisions. Doubling the first-half profits puts the shares at 288p on a prospective p/e of 12.6, but this is probably more on reflection of the thin market in the shares than of the growth prospects.

## Cosalt upgrades forecast

ALONG WITH its half-yearly report showing an increase in pre-tax profit from £134,000 to £168,000, Cosalt announces terms of the rights issue which Mr. J. Carl Ross, chairman, foreshadowed when the shares were introduced to the London and Northern Stock Exchanges at the end of June.

The pre-tax profit forecast for 1971 is raised from not less than £250,000 to not less than £275,000. The 1970 (53 weeks) figure was £235,000. It is intended to maintain the dividend at 15 per cent. on the enlarged capital. On the basis of the upgraded profit forecast it would be covered 1.7 times, it is stated.

An analysis of first-half turnover (£000 omitted) £3,454 against £3,197, and profit shows ships' stores, fishing gear and engineering £2,488 (£2,250) and £181 (£144); refrigeration and air conditioning £204 (£253) and loss £10 (profit £1); caravans £762 (£694) and £62 (£54).

Turnover for the 53 weeks for 1970 was £6,282 (£000 omitted)—ships' stores, fishing gear and engineering £4,605 and profit £303; refrigeration and air conditioning £539 and £4; caravans £1,138 and £63.

Export sales for the first half totalled £930,000 (£868,000).

The rights issue will be for holders registered September 6 on the basis of one new Ordinary for every four shares held at 50p per share. Warrants will also be offered on the basis of one for every eight Ordinary held at 5p per warrant. Each warrant carries the right to subscribe for one Ordinary 25p share on October 31, 1973, 1974 and 1975 at 60p per share.

Net proceeds of the issue, estimated at £253,250, will be used to reduce borrowings.

### ● comment

Cosalt has lost no time in making its presence felt in the market. Half-time profits are 25 per cent. to the good, while the prospectus forecast has been bumped up 10 per cent. The company seems to be getting reasonable growth from the traditional products, and with the caravan side beginning to justify itself the shares deserve a better rating than the 6.8 p/e at 54p xr.

## Excess holds 10% interim

GROUP INTEREST and dividends received by Excess Holdings—excluding Excess Life Assurance Company—showed an increase from £770,000 to £793,000 for the six months ended June 30, 1971.

Group premium income (excluding Excess Life) on all underwriting years of account less commission and reinsurance premiums for the six months totalled £13,378,000 (£11,598,000).

Excess Insurance Company's 1969 account will be closed next December 31. At June 30 last the claims percentage was about 8 per cent. lower than that of the 1968 underwriting account at the same point in its three-year open period. At June 30, 1970, the 1970 underwriting account shows an improvement over the 1969 account at same stage.

The trading result of Excess Motor Insurance for the six months to June 30, 1971, before taking into account investment income, is a loss of £162,000 (£81,000), or 4¾ per cent. (3½ per cent.) of an earned premium income of £3,437,000 (£2,401,000).

Increased premium rates were introduced early in 1971 but are not yet fully reflected in this result, state the directors.

At Excess Life Assurance gross sums assured amounted to £17,641,000 (£9,788,000) in the first half. Consideration for annuities purchased amounted to £759,000 (£232,000).

An unchanged interim dividend of 10 per cent. is declared—total for 1970 was 35 per cent.

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## Bensons Systems cautious

First-half pre-tax profit of Bensons International Systems increased from £170,000 to £183,000, fully supporting the chairman's optimism on margins, expressed last June, the directors state.

Profits for the second half, however, will be affected by the economic measures recently introduced in the U.S., and the Board is forced to take a more cautious view of immediate future prospects.

This setback in the American market should be phased out by the end of 1971, and the long-term prospects for 1972 and beyond will be unaffected, the directors add.

An unchanged interim dividend of 7 per cent. is declared. Mr. F. Bennett and Mr. P. Bennett have waived their right to receive dividends on their holdings for 1971. A total of 23 per cent. was paid for 1970 from a pre-tax profit of £350,225. The company manufactures loose-leaf equipment for use in filing systems, catalogues, educational text and note books and selling aids.

| | 6 months 1971 £000 | 1970 £000 |
|---|---|---|
| Profit before tax | 183 | 170 |
| Taxation | 79 | 77 |
| Minority interest | 4 | 3 |
| Attributable | 100 | 90 |
| Interim dividend | *22 | 22 |

* After £8,000 (same) waived.

Agreement has been reached for the acquisition of 60 per cent. of the capital of National Loose Leaf Devices, of Toronto, from National Blank Book Company, Massachusetts. National Blank is a subsidiary of the Dennison Manufacturing Company, U.S., and holds most of the remaining 40 per cent. of the capital of NLLD. Consideration, paid on completion, amounted to $C130,000 in cash (£52,000).

Profits, before tax, of NLLD for 1970 amounted to $C55,257 (£22,103), and net assets at that date, after a special dividend of $C50,000 (£20,000) paid to vendors prior to completion, amounted to $C168,966 (£67,586).

The acquisition is of considerable

### ● comment

Bensons' profits are 8 per cent. ahead pre-tax, but with sales higher by 16 per cent. margins have suffered in the process. As for the current half, a rough time can be expected in the U.S.; the bulk of a group 50 per cent. export ratio goes to North America where margins, already down to the bone, now face the import surcharge. Against that U.S. demand has been on a rising trend, and June price rises should offset the worst of the squeeze. Longer term, Benson has high hopes for a re-designed range; launch date here is December and unit manufacturing costs are reckoned to be nicely lower. But at 145p, a past 12-months p/e of 14½ needs all the optimism it can get, until the next (and possibly sizeable) acquisition comes along.

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## Harris & Sheldon downturn

AGAINST THE earlier expectation of a further improvement, the directors of Harris and Sheldon Group now say they expect current-year profits to approach the £1.46m. achieved in 1970.

From a turnover of £7,149,000, against £6,755,000, first-half profits have slipped from £610,000 to £526,000.

Directors state that the adverse effect of the postal strike on the profit of some of the subsidiaries, particularly those involved in mail order, turned out to be substantially greater than was anticipated.

However, order books are appreciably higher than 12 months ago, they add.

The interim dividend is repeated at 4 per cent.—the 1970 total was 14 per cent.

### ● comment

Harris and Sheldon's 14 per cent. pre-tax downturn stems from a sizeable stake in bulbs and plants (perhaps 10 per cent. of annual profits) given a postal strike falling bang in the peak ordering season. However, the current half should tell a different tale. The forecast implies 10 per cent. profits growth to £933,000 pre-tax which should prove support enough for an historic 12.4 p/e at 67p. Sales are apparently holding the 6 per cent. first half growth rate and that points to a fair upturn in margins.

## Bourne & Hollingsworth

Bourne and Hollingsworth, departmental stores, reports an increased first-half profit of £77,742 (£19,994 after a non-recurring loss of £8,288 at Southampton). The figures are no indication of the full year's result, the directors state.

The interim dividend is stepped up from 3½ to 4 per cent., but the directors stress that this conveys no implication as to the final. A total of 10 per cent. was paid for the year to February 13, 1971, on a pre-tax profit of £292,270 after a loss of £9,342 at Southampton.

London turnover for the half-year was £2,036,764 (£1,927,260 and £4,452,269 for the year plus Southampton—discontinued April 18, 1970—£41,750 for half-year and year).

Contracts have been exchanged for the sale of the 1912 block of the hostel, Warwickshire House, to University College Hospital for an amount, net of estimated expenses and tax, of £580,000. The block comprises about two-thirds of the premises, many rooms in which were let to residents not employed by B & H.

At February 13, 1971, the whole of Warwickshire House with its furniture and fittings had a net book value of £164,869 and it contributed £56,000 profit before tax. Part of the proceeds will be used to modernise and improve the standard of accommodation in the remaining one-third which is sufficient to accommodate the whole of the staff likely to wish to live there, the directors state.

## Carpets Int. profit growth

WITH a 12 per cent. sales increase to £21m. and progressively improved margins each month, Carpets International announces a profit, before tax, for the half year to July 3, 1971 more than doubled at £987,000.

Range rationalisation and re-organisation continued to affect profits in the first quarter, but the chairman, Mr. W. P. W. Anderson, says action taken since the merger is now showing results. The better margins attained in the second quarter are expected to continue and will be reflected in group profits for the full year, he adds.

For the year 1970 profit was £1.63m. on a turnover of £40.62m.

An unchanged interim dividend of 6 per cent. is declared. The 1970 total was 13 per cent.

| | Half year 1971 £000 | 1970 £000 | Year 1970 £000 |
|---|---|---|---|
| Turnover | 20,992 | 18,799 | 40,618 |
| Profit before tax | 987 | 485 | 1,628 |
| Taxation | 395 | 224 | 509 |
| Exceptional credits | — | 322 | 381 |
| Net profit | 592 | 583 | 1,500 |
| Dividends | 509 | 509 | 1,103 |

The outlook at Kosset and Gilt Edge is "more promising." The autumn market has opened earlier than usual and is encouraging. Present indications are that demand for the rest of the year will be heavy with the better qualities continuing to sell more freely.

### ● comment

The bulk of Carpets International's first-half profits arose in the second quarter and the improving trend is continuing, with the autumn season starting several weeks earlier than in 1970 and orders very much better than a year ago. The impact of this year's turnround on tufted carpets, worth perhaps £400,000 plus, should be at least as significant in the current half, which given the usual seasonal bias points to profits approaching £3m. pre-tax, leaving a prospective p/e of perhaps 13 at 134½p supported by hopes for 1972—which has always been billed as the year when the merger will really pay off.

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## 2% extra by Wades

FROM SHARPLY increased profits Wades Department Stores, household furnishers, is lifting its dividend from 10 to 12 per cent. with a final of 7 per cent. for the year to April 30, 1971.

Also a one-for-four scrip issue, in "A" shares, is proposed and the directors expect to maintain the dividend rate on the increased capital.

Group pre-tax profit was £383,465 (£260,926) after £178,800 (£115,658) for the first half. The year's profit was struck after £38,309 (£8,180) increase in provision for unmatured profit.

| | 1970-71 £ | 1969-70 £ |
|---|---|---|
| Turnover | 5,601,149 | 4,939,917 |
| Trading profit | 421,774 | 369,106 |
| Profit before tax* | 383,465 | 260,926 |
| Taxation | 163,665 | 138,165 |
| Net profit | 219,800 | 122,761 |
| Dividend† | 32,353 | 36,861 |
| Retained | 641,850 | 435,422 |

* After increase in provision for unmatured profit £38,303 (£8,180). † After waivers.

### ● comment

Wades Departmental Stores' pre-tax profits up by 47 per cent. are a record. Margins have widened considerably as turnover increased only 14 per cent., with HP sales constituting 36.7 per cent. of the total. Business for the first four months of 1971-72 is substantially higher, and with the relaxation of credit controls in July, this increase should at the very least be sustained, particularly on the HP side which will improve profitability in the longer term. Earnings have been pushed up from 4.1p a share to 7.3p, and a p/e of 9.5 for the "A" shares at 72p seems unduly cautious, especially when viewed against other department stores like James Beattie on a multiple of 14½.

## Wm. Finlay (Belfast)

Pre-tax profit of Wm. Finlay (Belfast) advanced from £73,600 to £82,000 in the half-year to June 30, 1971, and the Board is hopeful the total will equal last year's £152,187.

Meanwhile, the interim dividend is effectively raised from 7.73 per cent. to 8¼ per cent. Previous total was equal to 22.727 per cent.

Sales in the first half were £918,000 (£723,900). The group operates as printers and manufacturers of cartons, etc.

## R. Cartwright first half upturn

Compared with the corresponding period of 1970, "which was considerably affected by re-organisation," R. Cartwright (Holdings) reports first half 1971 profits up by over 40 per cent. to £77,000, from sales over 20 per cent. ahead at £740,800.

The figures suggest that the re-organisation and rationalisation programme of the past few years is now showing up in results, state the directors.

The sales level so far for the second half has continued to be satisfactory, but it is very difficult to detect any firm trend as far as incoming orders are concerned.

They anticipate that profits for this period will be comparable with the corresponding period of 1970 (£81,000) which in itself was a record, but the rate of increase shown in the first half, cannot be expected to be maintained in the second period.

An interim dividend up from 10 per cent. to 12½ per cent. is declared, but members are told it should not be assumed that the final (15 per cent. previously) will be similarly increased.

| | Half year 1971 £ | 1970 £ | Year 1970 £ |
|---|---|---|---|
| Sales | 740,800 | 603,100 | 1,274,264 |
| Trading profit | 76,500 | 51,900 | 131,942 |
| Interest received | 500 | 2,800 | 4,558 |
| Profit before tax | 77,000 | 54,700 | 136,500 |
| Taxation | 31,000 | 24,600 | 57,000 |
| Net profit | 46,000 | 30,100 | 79,500 |
| Deprec. charged | 15,500 | 15,900 | 31,215 |

The group makes door and window furniture.

## Bovis sticks to forecast

FIRST-HALF group pre-tax profit of Bovis is reported at £817,000, which the directors regard as "fully consistent" with the full year 1971 forecast of £3.9m., against £3.34m., made at the time of announcing the rights issue in June. Current operations reinforce their confidence in the achievement of this forecast, says chairman Mr. H. Vincent.

The first-half figure compares with £960,000 for the 1970 period when, however, the balance included £93,000 exceptional profits.

The interim dividend is held at 8 per cent. on capital enlarged by the one-for-four rights issue. A total not less than the previous year's 20 per cent. has been foreshadowed.

Reorganisation of Bovis Corporation—the Canadian company in which Bovis holds a 57 per cent. interest—has gone "extremely well," and augurs well for the future. It had an operating deficit during the first six months, but a "substantial" contribution to group profits is expected in the current year.

Each trading division is currently operating at a "very satisfactory" level and, with a substantial work load already secured, 1972 promises considerable further growth, Mr. Vincent tells members. Group activities include construction, housing estate and property development.

| | Six months 1971 £000 | 1970 £000 |
|---|---|---|
| Profit | 817 | 960 |
| Tax | 287 | 463 |
| Net profit | 530 | 497 |
| Minorities | *104 | 19 |
| Attributable | 634 | 478 |

* Loss credit.

### ● comment

Bovis gave the market that sinking feeling, with an immediate 16p price fall on profits of £817,000 pre-tax for the first half, against £960,000. However, the group is sticking firmly to its target of £3.9m. or more for the full year. What has put the first-half figures in an unfavourable light is the way the Canadian acquisitions have exaggerated an already sharp seasonal swing. Yet with the normal summer boost from Canada yet to come, and better figures for last year's U.K. problem spots—Gilbert-Ash and Larry Webb—the second half will be much more impressive. On a prospective p/e of just over 17 at 210p, the shares look fairly valued for the time being.

## Queen Street improvement

Announcing pre-tax profit up from £8,101 to £27,415 for the 24 weeks to July 21, 1971, from marginally lower turnover, the directors of Queen Street Warehouse, the furniture and credit trading group, forecast that results for the full year will show an improvement over 1970-71.

In the full year to February 3, 1971, pre-tax profit was £152,917, on which no dividends were paid. The last payment was 7½ per cent. in 1966-67—the Preference is in arrears since March, 1967.

Chairman Mr. A. D. Mackay says that bearing in mind the business is of a seasonal nature and the larger part of profit is usually earned in the second half, the results for the 24 weeks are encouraging.

The furniture group has continued to produce satisfactory results, although still affected by last year's fire at Johnson Brothers (Brighton).

| | 24 weeks 1971 £ | 1970 £ |
|---|---|---|
| Turnover | 1,726,447 | 1,756,974 |
| Trading profit | 175,727 | 150,760 |
| Depreciation | 26,753 | 25,051 |
| Loan stock interest | 93,462 | 93,462 |
| Bank and other int. | 34,280 | 24,146 |
| Leaving | 21,202 | 8,101 |
| Profit sale of lease | 6,213 | — |
| Group profit | 27,415 | 8,101 |
| Taxation | 11,000 | 4,000 |
| Net profit | 16,415 | 4,101 |

## Pirelli Cable interim

Resumption of interim payments with a declaration of 10 per cent. in respect of 1971 is announced by Pirelli General Cable Works. A single dividend of 18 per cent. was paid for 1970.

On reduced sales of £17,978,000, against £19,844,000 first-half group pre-tax profit expanded from £478,510 to £1,681,806.

The fall in sales value was almost entirely accounted for by the lower average price of copper, the directors explain. Pre-tax profits for the same period last year were depressed by trading conditions. The 1971 results are, however, in line with those achieved in the second half of 1970, they add.

First-half profit is after depreciation £712,448 (£682,781) and interest charges of £230,743 (£377,310).

| | Half year 1971 £ | 1970 £ |
|---|---|---|
| Group sales | 17,978,000 | 19,844,000 |
| Pre-tax profit* | 1,681,806 | 478,510 |
| Taxation | 679,000 | 205,621 |
| Minority losses | 31,010 | 23,428 |
| Available | 1,034,916 | 296,317 |

* After depreciation £712,448 (£682,781) and interest paid £230,743 (£377,310).

## DIVIDENDS ANNOUNCED

| | Current payment % | Date of payment | Corresponding div. % | Total for year % | Total last year % |
|---|---|---|---|---|---|
| Bensons Systems ......int. | 7 | Nov. 23 | 7 | — | 23 |
| Bourne & Hollingsworth int. | 4 | Nov. 10 | 3½ | — | 10 |
| Bovis ......int. | (b)8 | Dec. 1 | 8 | — | 20 |
| Brent Chemicals ......int. | 2½ | Oct. 18 | Nil | — | 2½ |
| British Debt Services .... | (e)35 | — | — | (f)44 | — |
| British Vita ......int. | 10 | Nov. 3* | 6 | — | *16 |
| BSR ......int. | 13 | Nov. 19 | *11.36 | — | *34.1 |
| Cakebread Robey ......int. | 6 | Dec. 11 | 4 | — | 14 |
| Carpets Interntl. ......int. | 6 | Dec. 6 | 6 | — | 13 |
| R. Cartwright ......int. | (d)12½ | Oct. 26 | 10 | — | 25 |
| City & Overseas ...... | 3 | — | 3 | 6 | 6 |
| Excess Holdings ......int. | 10 | Oct. 27 | 10 | — | 35 |
| Wm. Finlay (Belfast) int. | 8¼ | — | *7.63 | — | *22.72 |
| Guardian Royal ......int. | †4p | Dec. 6 | 3½p | — | 8p |
| Harris & Sheldon ......int. | 4 | Nov. 8 | 4 | — | 14 |
| Irish Investment ......int. | 3 | Nov. 25 | 3 | — | (j)8¼ |
| Lawdon ...... | (c)15 | — | — | 15 | — |
| Medminster ...... | 12½ | Oct. 28 | 12½ | 25 | 22½ |
| Mendip Investment ...int. | †0.45p | Oct. 30 | 0.45p | — | 1.20p |
| Orbit ...... | 10 | — | 5½ | (h)15 | 10½ |
| Pirelli Cable ......int. | 10 | — | Nil | — | 18 |
| Second City Properties ... | 8½ | Dec. 6 | 7 | 15 | 13½ |
| Sth. Wanarajah ...... | (g)5 | — | 7 | 5 | 7 |
| Telephone & Gen. Tst. int. | 10 | Oct. 29 | 10 | — | 27 |
| Wades Stores ...... | 7 | Sept. 22 | 6 | 12 | 10 |

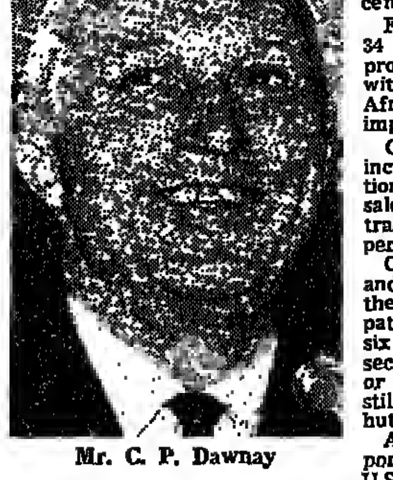
* Equivalent after allowing for scrip issue. † Amount per share. (a) Tax free. (b) On capital increased by rights and/or acquisition issues. (c) As forecast—made public June, 1971. (d) Similarly increased final not to be assumed. (e) For 41 weeks. (f) As forecast in January prospectus. (g) Payable on receipt of funds from Ceylon. (h) For 15 months. (j) Including ¼ per cent. bonus.

## Guardian Royal goes ahead

Guardian Royal Exchange Assurance has lifted its first-half pre-tax profit from £5.4m. to £8.5m. and is raising the interim dividend to 4p per 25p share, compared with 3½p.

At the annual meeting in June, chairman Lt.-Col. C. P. Dawnay said that, although forecasting was difficult in the early part of the year, he was anticipating an improvement over 1970's results. The 1970 pre-tax profit was £10.9m., on which dividends totalled 8p.

A useful improvement has been achieved in fire, motor and accident insurance, where an underwriting profit of £2.1m. was achieved, against a loss of



Mr. C. P. Dawnay

£300,000. Premium income has developed well, through substantial rate increases in many parts of the world and through new business development. Home business overall is profitable despite the effects of rising prices. The trends in Germany and Canada are improving, and elsewhere overseas, results are "generally satisfactory."

The closing of the 1969 marine account should produce a similar profit to that reported last year, directors report. The life account continues its "steady expansion."

| | Six months 1971 £m. | 1970 £m. | Year 1970 £m. |
|---|---|---|---|
| Investment income | 8.0 | 7.1 | 15.2 |
| Interest payable | 1.1 | 1.1 | 2.2 |
| Balance | 6.9 | 6.0 | 13.0 |
| Life and redemption profit | 0.8 | 0.8 | 1.8 |
| Fire and accident profit | 2.1 | *0.3 | *3.1 |
| Marine profit | 0.2 | 0.2 | 0.7 |
| Making | 10.0 | 6.7 | 13.4 |
| Pensions, exp., etc. | 1.5 | 1.3 | 2.5 |
| Profit | 8.5 | 5.4 | 10.9 |
| Tax | 2.1 | 1.8 | 2.1 |
| Net profit | 6.4 | 3.8 | 8.8 |
| Premiums: | | | |
| Fire and accident | 91.8 | 81.0 | 171.7 |
| Marine | 11.2 | 10.9 | 25.9 |
| Total | 103.1 | 91.9 | 199.6 |
| Life new business: | | | |
| Sums assured | 365.0 | 330.0 | 674.4 |
| Annuities p.a. | 5.3 | 2.0 | 7.1 |
| Annual premiums | 5.3 | 4.0 | 8.7 |
| Single premiums | 5.2 | 3.7 | 8.8 |

* Loss.

## BSR first half upsurge

REPORTING a 36 per cent. increase to £3,704,096 in first half group pre-tax profits, the directors of BSR (makers of the Monarch record changer, etc.) say they are confident that, given no adverse circumstances in the major markets during the rest of the year, profits for all of 1971 should show a marked improvement over the record of £5,972,938 achieved in 1970.

They are lifting the interim dividend from the equivalent of 11.36 per cent. to 13 per cent. Last year's effective total was 34.1 per cent.

First half sales increased by 34 per cent. with substantial improvements in all major markets with the exception of South Africa—demand there has now improved appreciably.

Containment of the expected increase in unit cost of production, together with the success of sales efforts overseas, resulted in trading profits improving by 40 per cent. to £3,493,985.

On the basis of sales for July and August and the strength of the order book, directors anticipate that the trend for the first six month will continue for the second half. Steps taken a month or so ago to expand production still further have been successful, but costs will continue to rise.

As regards the temporary import surcharge imposed by the U.S. Government they decided that most of this extra duty should be passed on to customers.

The acquisition of Bulpitts (Swan Brand) has been completed satisfactorily. There has been an improvement in that company's performance compared with 1970 and its directors are encouraged about the outcome for the second half.

| | First half 1971 £ | 1970 £ |
|---|---|---|
| External turnover | 13,429,952 | 10,027,364 |
| Trading profit | 3,493,986 | 2,492,125 |
| Dividend and interest | 200,915 | 149,173 |
| Profit on sale of assets | 8,196 | 81,045 |
| Profit before tax | 3,704,096 | 2,722,343 |
| Tax | 1,254,422 | 1,052,010 |
| Net profit | 2,449,674 | 1,670,333 |
| Fixed assets | 6,280,570 | 6,104,939 |
| Current assets | 20,485,850 | 14,554,662 |
| Current liabilities | 7,932,472 | 6,201,017 |
| Net worth | 17,833,948 | 14,458,584 |

Statement Page 38

## Pifco looks for more progress

The present year has started well for Pifco Holdings and turnover for the first quarter shows an increase on the same period last year, reports chairman Mr. A. D. Webber.

The group—makers of electrical appliances—has a good programme, he adds and, subject to economic conditions, further growth and progress is anticipated.

He points out that the group's underlying strength is a wide product range in the domestic electrical field.

As reported on August 20, pre-tax profit for the year to April 30, 1971, was £455,166 (£388,244) with a dividend of 50 per cent. (45 per cent.).

On the basis of a maintained total dividend for the current year the Board would recommend that the interim be increased from 10 per cent. to 20 per cent. to reduce disparity.

Referring to the acquisition on August 1971, of Best Products, the chairman says this company's products are complementary and it is hoped that the enlarged group will achieve a higher sales volume as well as economies in distribution costs.

Meeting, Winchester House, E.C., October 19, noon.

## Cakebread Robey lifts interim

FIRST HALF group pre-tax profits of Cakebread Robey and Co., builders and timber merchants, increased from £56,356 to £70,155 and the interim dividend is stepped up from 4 per cent. to 6 per cent.

But the directors stress there is no guarantee that the final (10 per cent. for 1970) will be maintained. Results for the second half may be affected by re-organisation costs arising from the recent acquisition of Clark, Hunt, although a larger trading profit may be achieved, they add. Pre-tax profits for 1970 was £136,932.

Clark, Hunt has not contributed to the first half profits.

| | Half-year 1971 £ | 1970 £ |
|---|---|---|
| Turnover | 1,415,706 | 1,376,141 |
| Pre-tax profit | 70,155 | 56,356 |
| Taxation | 28,000 | 22,900 |
| Net profit | 42,155 | 33,456 |

## Brent Chemicals

Pre-tax profit of Brent Chemicals International — formerly Brent Manufacturing Co.— jumped from £18,160 to £70,230 in the half-year to June 30, 1970 and the Board reaffirms the June forecast of a substantial full year profit improvement.

An interim dividend of 2½ per cent. is declared. Last year there was a single 2½ per cent. payment from pre-tax profit of £52,947.

## VENTERSPOST TO PAY LESS

Despite the expectation of continued premium prices for gold, South Africa's Venterspost is facing a further decline in the mine's average gold yield together with rising working costs. The chairman, Mr. R. A. Plumbridge, thus anticipates a lower working profit for the year to June 30 and reckons that the dividend is likely to decline further to about 20 cents (11.6p) from 25 cents in 1970-71.

He points out, however, that the premium gold prices mean that increasing quantities of previously sub-economic ore can now be profitably mined and that the company's operating policy is being adjusted accordingly. At the moment it is considered that it would not be worthwhile to apply for State assistance, but the matter is being kept in mind.

## L. C. Edwards move to oust Mr. Peacock

One of the two joint chairmen of Louis C. Edwards has taken the unusual step of requisitioning an extraordinary meeting to propose that another director, Mr. A. J. W. Peacock, be removed from the Board.

In a statement to holders, all the other directors say they intend to vote in favour of the resolution, and that they own or control 2m. votes, or around 23½ per cent. of the equity.

Last night Mr. T. McKeown, company secretary and a director of the Manchester-based meat company, said the decision for this course of action had been very carefully considered. He added that outside advice had been taken from several sources, including merchant bankers N. M. Rothschild.

He also disclosed that Mr. Peacock, who is shown in the last annual report as deputy managing director, left the company about two months ago.

# BIDS AND DEALS

## Brown & Albany—Standard Tyres

Two of Britain's biggest independent tyres and motor accessories groups said they were holding merger talks. They are Brown Brothers and Albany, London-based company currently valued in stock market terms at more than £7.1m., and Standard Tyres, the Uxbridge concern which has a price tag in the City of more than £5.2m.

A joint statement from advisers Charterhouse Japhet and Slater Walker said preliminary discussions had started "with a view to establishing agreed terms for a merger." The news prompted big gains in both companies' shares on the London Stock Market—Brown Brothers moved up 6p to 186p, while Standard Tyre were 13p higher at 181p.

### P. J. EVANS FORECAST

The chairman of P. J. Evans (Holdings) has written to shareholders advising rejection of the offer by First National Industrial Trust on behalf of Company Developments. The letter says the Board estimates profits before tax for the year to September 30, 1971, at not less than £240,000 compared with £155,012 for the previous year, and that during the last few days they have had several inquiries from other interested parties.

Although at this stage there is no guarantee that these inquiries will lead to a higher bid being made, the Board is actively following up all such inquiries.

### LADBROKE RAISES ARBITER PRICE

Ladbroke is adding £500,000 to its bid for the bingo and leisure business of Arbiter and Weston. The original bid of 50p a share has now been increased to 70p, putting a value of £1.8m. on Arbiter.

The first Ladbroke offer came after the group had built up a 28 per cent. stake in Arbiter. It met with swift rejection from the Arbiter chairman, Mr. Dennis Barkway, who said he was not opposed to a Ladbroke bid in principle, but the terms then offered "substantially understated the value of the shares." Arbiter shares closed yesterday 2p down at 67p.

### LONDON AND BOMBAY

In a letter to shareholders in London and Bombay United Investments, chairman Sir John Newson-Smith reports that agreement in principle has been reached for the acquisition of Southern Cross Management and its associate Manx International Management in exchange for shares.

Southern and Manx manage £19m. of unit trusts and funds specialising in investment in Australia. London and Bombay has also arranged to buy for cash small ancillary investments in the unit trust and insurance fields.

Agreement in principle has also been reached for the acquisition in an exchange of shares of H.S. Weavers Underwriting Agencies, underwriters and reinsurers.

Sir John also reports that, following completion of deals in the pipeline by Manx and Overseas Investment Trust, it will become a significant company in the Isle of Man, in which London and Bombay will retain a one-third stake.

### CARRINGTON VIYELLA PURCHASE

Terms have been agreed between Carrington Viyella and F. W. Harmer (Holdings) for the acquisition by F. W. Harmer of Richard Emms, clothing manufacturers. It is proposed to complete the purchase on October 15.

It will be the intention of the purchasers to continue the business of Emms in its existing th[…] factories and to retain its prese[…] work force.

### ELDON R. GORST

Kleinwort Benson announ[…] that its offer on behalf [of] Christian Salvesen for Eldon Gorst and Son has become unc[on]ditional. Acceptances have be[en] received in respect of 572,[…] shares (98.1 per cent.). The of[fer] remains open.

### JAMES NEILL ACQUISITION

James Neill Holdings has agr[eed] to buy the capital of Ben[…] Verniers of Bradford, manuf[ac]turers of precision measur[ing] tools, for an undisclosed cash s[um]. Neill said the purchase [is] "not significant" in terms of [the] group's total funds employ[ed] which exceed £16m.

### WM. JACKS-ABERCOM DEAL

Agreement has been reache[d in] principle between the boards [of] William Jacks and Abercom [In]vestments for the sale to Aberc[om] of William Jacks and [Co.] (Rhodesia). Sale price is to [be] based on audited accounts [pre]pared to September 30, 1971, [and] will be subject to a formula [based on] after tax profits and net tang[ible] assets of the Rhodesian comp[any]. Subject to audited confirmatio[n of] the anticipated results, consid[era]tion is expected to be equiva[lent] to approximately £635,000 and [will] be satisfied by the issue of O[rdi]nary shares in Abercom ran[king] pari passu with its existing O[rdi]nary.

Abercom has undertaken [to] place one-half of these shares [on] behalf of Jacks at a price e[qual] to one-half of the purchase [con]sideration. Abercom has undertaken to discharge in[…] on behalf of Jacks (Rhodesia) South African currency in[…] equal six monthly instalments [a] loan of £172,000 due by [Wm.] Jacks.

The transaction is subject [to] the approval of the Governm[ents] of the U.K., South Africa [and] Rhodesia and to the granting [of a] quotation for the additi[onal] Abercom shares on the Johan[nes]burg and London Stock [Ex]changes.

### CONSTABLE HART "YES" TO NEW BID TERMS

The new terms from The[…] Roberts (Westminster) for [Con]stable Hart and Co. have rece[ived] the backing of the CH Bo[ard]. Roberts, which already can [control] 23.5 per cent. of CH, is for[…] 42½p cash for each CH ordina[ry].

The Board of CH, advise[d by] Kleinwort Benson, will re[com]mend the offer and the dire[ctors] will accept, apart from Dr. [J.] Bateman who wishes to retain his interest.

### HENRY AGREES GUS REVISED TER[MS]

The Board of A. and S. H[enry] is now recommending the re[vised] offer from Great Universal St[ores] which topped the rival bid [of] United Drapery Stores. [The] formal documents giving d[etails] of the new GUS offer—w[hich] values each Henry Ordina[ry at] 88½p—has also been sent ou[t].

### MELVILLE DUNDAS KEANIE

In a circular to sharehold[ers] Melville Dundas and Whitson [in] April it was stated that cons[idera]tion for the acquisition [of] James Y. Keanie would [be a] maximum of £300,000 to be [satis]fied by the issue of [2…] Ordinary shares and by pa[yment] in cash of the balance no[t to] exceed £200,000. Since the[n it] has been agreed that the [con]sideration will be reduce[d to] £270,000, payable wholly in ca[sh].

## British Relay potential

THE ABOLITION of hire purchase and hiring controls has provided British Relay Wireless and Television with an opportunity for growth, and it is intended to achieve the maximum growth of income while trading conditions remain "thus favourable," states chairman Lord Renwick.

He feels that the growth of colour must be partly at the expense of monochrome; while the pent-up demand for new monochrome sets to replace older types will be released. Fully depreciated sets that contribute substantially to profits will be displaced by new sets, which carry depreciation and finance costs.

In the group's experience so far, demand greatly exceeds the manufacturers' capacity to supply.

Instead of the improvement looked for group profit, before tax (as reported August 18), fell some £264,000 to £804,270 in the year ended May 1, 1971.

There are three principal factors. First, cost inflation was of a greater magnitude than anticipated; second, the increase in the turnover of £1,376,000 to £16,667,717 was less than predicted because of a failure in supply of monochrome relay television receivers and the general trend away from the hiring of standard monochrome sets had a significant impact upon rental business; and third, the depreciation charge increased disproportionately to income following greater than expected demand for replacement new monochrome receivers.

The directors consider that as much as possible of cash generated in group trading should be conserved and concentrated in exploiting the growth possibilities that are immediately ahead, to give full effect to this concept there should, therefore, be no further distribution of profits in respect of 1970-71 and the Board recommends that no final dividend should be paid. However, a scrip issue of Ordinary shares is proposed on the basis of one for 25.

An interim of 3 per cent. already paid compares with the 8 per cent. total for 1969-70.

Meeting, Winchester House, E.C., October 15, at noon.

## Town & City

THE UP-TO-DATE capital cost of Town and City Properties approved development [pro]gramme is more than £[…] chairman Mr. B. D. East tol[d the] annual meeting in London.

He said: "It is a fundam[ental] belief of Town and City tha[t one] of the many tasks of a pro[perty] company is to create its [own] investments by developmen[t in]stead of buying investments [from] developers—to the latter's pr[ofit]."

Mr. East said the company [has] shown a steady increase in g[…] and profits since it went p[ublic] in 1956—and he was conv[inced] the future would "follow a [simi]lar pattern."

He said good-quality shop, [office] and industrial property [has] proved an excellent invest[ment] over the past decade "and [will] undoubtedly continue to do [so]."

## Medminster on target

A group profit, before ta[x, of] £131,058 compared with £12[…] is reported by the directo[rs of] Medminster, who last Septe[mber] were looking for profits fo[r the] year to June 30, 1971, not [less] than those of the previous [year].

The final dividend is [as] promised 12½ per cent. [and] steps up the total from 22[½ per] cent. to 25 per cent. The [pre-]tax figure is £53,750 (£54,700) [and] net attributable profit £[…] (£62,627).

Profit includes profit on [sale] of fixed assets—hire furnitur[e and] equipment £33,064 (£3,161) [and] aircraft £2,754 (£3,758).

Principal activities includ[e the] hire of period, traditional [and] contemporary furniture an[d fur]nishings. Light aircraft [dis]tributors.

# ISSUE NEWS

### ESSEX WATER DEBENTURE

Brokers Seymour Pierce [have] arrangements in hand for [Essex] Water Company to issue a [£…] £3m. 10 per cent. Redee[mable] Debenture stock 1992-94 a[t …]. The stock is payable as [to …] per cent. on application an[d the] balance on October 28.

### LLOYD'S LIFE ASSURANCE

Application list for the iss[ue of] 1,999,998 Ordinary £1 shar[es of] Lloyd's Life Assurance [closed] with applications for twic[e the] number of shares on offer.

# AUTHORISED UNIT TRUSTS (p***)

# OFFSHORE AND OVERSEAS FUNDS (p***)

## INSURANCE, PROPERTY, BONDS

# Money & Exchanges

**Bank Rate 5%. (Sept. 2, 1971)**

Credit was generally in short supply in the Discount market last week, though the supply was at its worst in the early part. Revenue transfers to the Exchequer outweighed Government disbursements on each of the first three days, while a net Treasury bill take-up and gilt-edged settlements tended to run against the market's favour. Foreign exchange settlements, on the other hand, were favourable, a fall in the note circulation freed money on Wednesday and Thursday (though there was a rise in the circulation the next day), and Government disbursements were greater than the revenue inflow on Friday.

The authorities bought a very large amount of bills on Monday and on Tuesday, and a small amount on Wednesday. Although there was no official intervention on Thursday, there were small official bill purchases on Friday.

Day-to-day lending rates were generally close to Bank Rate, at about 4¾-5 per cent., while short-term fixed period money was quoted up to Bank Rate or a little over. While the old clearing bank minimum lending rate and privilege money arrangements have been abandoned, with the introduction of the new banking arrangements on September 16, houses have negotiated stand-by facility with various banks.

At the Treasury bill tender, the second since the ending of the Discount market syndicate, the average rate of discount fell 0.0518 per cent. to 4.7531 per cent., bringing the reduction since the cut in Bank Rate from 6 per cent. to 5 per cent. on September 2 to 1.0521 per cent. The minimum accepted tender for 91-day bills was £98.81 (applications at this level being met as to 34 per cent.). Bids of £98.80 or more for 92-day bills (dated to-day) were met in full.

In the inter-bank market, overnight loans ranged between 3½ per cent. and 7 per cent., and on Friday were at 4¾-5¼ per cent. Short-term rates in the various markets tended to soften slightly.

The dollar came under widespread pressure last week, with activity reaching a peak on Thursday. The pound rose to $2.4822-$2.4826 on balance, from $2.4720-$2.4723 the previous Friday. Conditions were unsettled on Monday, and Tuesday brought a heavy turnover. Although on Wednesday conditions quietened somewhat, there was a sharp upsurge in business on Thursday, before Friday brought calmer conditions, in which there was, nevertheless a fair business, with some erratic movements taking place in major currencies.

Unsettling the market was the fear of hardening U.S. pressure for up-valuation of certain leading currencies, and reports that the International Monetary Fund favoured some appreciable changes.

The spot pound touched $2.4860 or so on Friday morning—its highest since it was allowed to float upwards last month. The 3-month pound reached 2.20 cents premium at one point on Friday, and ended at 2.05, to double the premium on the week.

The dollar made widespread losses against leading Continental currencies. The guilder, for instance, gained 5 87½ cents net to Fl.3.3650, and the mark 5.37½ pf. to DM3.3125. French francs, exceptionally, weakened on balance, both on commercial and financial account.

Gold rose 45 cents an ounce in London on balance, in moderate business, to $42.50-$42.70.

Exchange rates for sterling against leading currencies (day's spread and close) for September 20-22 appear on Page 35.

## EXCHANGE CROSS-RATES

| Sept. 24 | Frankfurt | New York | Paris (c) | Brussels | London | Amsterdam | Zurich |
|---|---|---|---|---|---|---|---|
| Frankfurt | — | 3.314-316 | — | — | 8.216-218 | — | — |
| New York | 30.185-190 | — | 18.10-110 | 2.1375-1405 | 2.4825-4827 | 29.74-77 | 25.19-22 |
| Paris | 167.25-168 | 5.523-5275 | — | 11.81-83 | 13.717-745 | 164.8-165.1 | 139.8¼-9¾ |
| Brussels | 14.18¼-19¼ | 47.06-15 | 8.48-49 | — | 116.30-40 | 13.97-99 | 11.84-86 |
| London | 8.22-23 | 2.48¼-⅝ | 13.71¼-72¼ | 116.70-117.0 | — | 8.34¼-36¼ | 9 82¼-3¼ |
| Amsterdam | 101.84-88 | 3.35-1¼ | 60.57¼-82¼ | 7.17⅛-⅝ | 9.32⅛-33 | — | 84.95¼-0¼ |
| Zurich | 119.80-.10 | 3.957-952 | 71.56-75 | 8.43¼-47 | 9.b25-845 | 118.0-30 | — |

## EURO-CURRENCY INTEREST RATES

## FOREIGN EXCHANGES

## OTHER MARKET RATES

## FORWARD RATES

## ACCOUNT DEALING DATES

| Option *First Dealings | Declarations | Last Dealings | Account Day |
|---|---|---|---|
| Sept. 6 | Sept. 16 | Sept. 17 | Sept. 28 |
| Sept. 20 | Sept. 30 | Oct. 1 | Oct. 12 |
| Oct. 4 | Oct. 14 | Oct. 15 | Oct. 26 |

* "New time" dealings may take place from 5 p.m. three business days earlier.

## UNIT TRUST PRICES
(Supplied by Managers)

| Prices in pence | Sept. 27 | |
|---|---|---|
| National Group (:) | | |
| Nat. Unit 'U' Second Series | 147.0 | 164.3 |
| Century Trust | 42.8 | 44.0xd |
| Nat. Consolidated Unit Trust | 229.0 | 232.2 |
| Universal Second Unit Trust | 92.5 | 97.5xd |
| Commercial Consolidated | 245.0 | 233.2 |
| Hundred Trust | 39.4 | 40.5 |
| Gas & Electric Second Series | 384.0 | 396.4xd |
| Inv. Sec. General Trust | 32.6 | 54.8 |
| Investors General Trust | 212.0 | 998.4 |
| Provident Investors Second | 132.8 | 140.4xd |

## CORAL INDEX
Close 425-430

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## REGIONAL MARKETS

♣ Prices in pence and denominations of p unless otherwise indicated. Gross redemption yields are given on Government and Corporation stocks. For explanations of other signs see footnote on inside back page Closing Prices, etc.

## WEEKLY AVERAGES OF U.K. INDICES

| Week to— | Sept. 24 | Sept. 17 | Sept. 10 | Sept. 3 |
|---|---|---|---|---|
| **Financial Times** | | | | |
| Govt. Secs. | 78.06 | 77.61 | 77.16 | 75.97 |
| Fixed Interest | 77.69 | 77.36 | 76.70 | 75.54 |
| Industr'l Ord | 424.9 | 425.9 | 427.7 | 415.3 |
| Gold Mines | 48.9 | 51.1 | 50.9 | 48.9 |
| Dealings mkd | 11,087 | 12,236 | 12,782 | 10,478 |

| Week to— | Sept. 24 | Sept. 17 | Sept. 10 | Sept. 3 |
|---|---|---|---|---|
| **F.T.-Actuaries** | | | | |
| Ind. Group | 175.32 | 175.89 | 176.81 | 170.45 |
| 500-Share | 189.89 | 189.56 | 199.80 | 184.39 |
| All-Share | 185.71 | 186.03 | 186.44 | 181.44 |
| 20-year Govt. | 83.87 | 83.11 | 81.83 | 80.12 |
| Red. Debs. | 77.33 | 76.41 | 75.48 | 74.09 |

## FINANCIAL TIMES STOCK INDICES

| — | Sept. 24 | Sept. 23 | Sept. 22 | Sept. 21 | Sept. 20 | Sept. 17 | A Year ago |
|---|---|---|---|---|---|---|---|
| Government Sec. | 78.78 | 78.38 | 78.00 | 77.83 | 77.52 | 77.55 | 70.73 |
| Fixed Interest | 78.28 | 77.66 | 77.44 | 77.56 | 77.53 | 77.65 | 72.27 |
| Industrial Ordinary* | 427.6 | 430.0 | 424.6 | 423.0 | 419.6 | 422.8 | 365.2 |
| Gold Mines | 48.7 | 48.5 | 48.7 | 49.0 | 49.4 | 50.2 | 42.5 |
| Ord. Div. Yield pc. | 3.63 | 3.59 | 3.63 | 3.65 | 3.66 | 3.64 | 4.57 |
| Earnings Yield pc (a) | 5.89 | 5.56 | 5.72 | 5.72 | 5.75 | 5.73 | 5.31 |
| P.E. Ratio (a) | 17.57 | 17.57 | 17.49 | 17.47 | 17.36 | 17.45 | 16.86 |
| Dealings Marked | 11,677 | 10,440 | 10,435 | 10,138 | 12,746 | 19,457 | 10,551 |

*10 a.m. 430.8 11 a.m. 430.0 Noon 428.1 1 p.m. 427.8 2 p.m. 497.4 3 p.m. 497.5

(a) Based on 40% corp. tax from March 30, 1971. Latest Index 01-246 8026

### HIGHS AND LOWS

| — | 1971 High | 1971 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|
| Govt. Secs. | 78.78 (24/9/71) | 68.83 (4/1/71) | 197.4 (9/1/35) | 54.91 (11/6/69) |
| Fixed Int. | 78.98 (24/9/71) | 69.83 (4/1/71) | 150.0 (28/11/47) | 67.12 (11/6/69) |
| Ind. Ord. | 430.8 (7/9/71) | 305.3 (3/3/71) | 521.9 (19/9/68) | 49.4 (26/6/40) |
| Gold Mines | 81.3 (18/5/71) | 47.9 (31/8/71) | 100.0 (12/9/55) | 44.0 (15/1/70) |

### S.E. ACTIVITY

| — | Sept. 24 | Sept. 23 |
|---|---|---|
| Daily— | | |
| Gilt-Edged | 234.6 | 205.5 |
| Industrials | 417.9 | 360.8 |
| Speculative | 150.6 | 115.8 |
| Totals | 265.8 | 237.5 |
| 5-day ave— | | |
| Gilt-Edged | 204.6 | 127.4 |
| Industrials | 324.6 | 400.3 |
| Speculative | 133.8 | 137.6 |
| Totals | 232.4 | 233.2 |

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

## SHARE INFORMATION SERVICE: NOTES

**The following Notes relate to Share Information Service:— Denominations are 25p unless otherwise indicated.**

**Yields allow for value of declared distributions and rights and are based on middle prices.**

Estimated price-earnings ratios and "times covered" are based on corporation tax of 40 per cent. and exclude transitional relief.

- * Highs and lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim (or quarterly) since increased or resumed.
- ‡ Interim (or quarterly) since reduced, passed or deferred.
- ‡‡ Not comparable: net divs. paid.
- Φ Figures or report awaited.
- †† Banks and Insurances: reserve allocations may preclude calculations of dividend cover.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k After local taxes. m Interim higher than previous total. n Rights issue pending. p*** Pence except where otherwise indicated. q Earnings based on preliminary figures. r Australian currency. s Dividends and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, p/e ratio based on latest available earnings. u Forecast dividend: cover based on previous year's earnings. v Tax-free up to 6s in the £. w Yields allow for currency clause. y Dividend and yield based on merger terms. z Dividends and yield include a special payment; cover does not apply to special payment.

A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Figures based on prospectus or other official estimates for 1971-72. F Figures based on prospectus or other official estimates for 1970. G Assumed dividends and yield after pending scrip and/or rights issue. H Excluding refunds of U.S. Capital Gains Tax. J Figures based on prospectus or other official estimates for 1972. M Figures based on prospectus or other official estimates for 1970-71. N Equivalent rate before additional capital was paid up. P Figures based on prospectus or other official estimates for 1971. Q Yields based on 1967 payments. R Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- Δ Indicates interim dividend, since paid, where none was paid before.
- ** Convertible loan stock issue in existence.
- ◆ Merger bid or reorganisation in progress.
- ♣ Special deposit certificates.
- ♠ Same interim; reduced final and/or reduced earnings indicated.
- ! Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- § Assumes all equity capital ranks for dividends.
- ☨ Cover does not allow for shares which may also rank for dividend at a future date. No p/e ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✠ Provincial quotations.
- ǁ No par value.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xrc ex return of capital; xa ex all; xdr ex drawings; xcd ex capital distribution; xpb ex partial bid.

A copy of this Offer for Sale, having attached thereto the documents specified below, has been delivered to the Registrar of Companies for registration. Application has been made to the Council of The Stock Exchange, London, for permission to deal in and for quotation for the whole of the share capital issued and now to be issued of Empress Services (Holdings) Limited ("the Company"). Application lists for the Ordinary shares now offered will open at 10.00 a.m. on 30th September, 1971, and will close as soon thereafter as J. F. Nash & Partners Limited may decide on the same day.

# EMPRESS SERVICES (HOLDINGS) LIMITED

*(Incorporated under the Companies (Consolidation) Act 1908 and the Companies Acts 1948 to 1967)*

## Share Capital

| *Authorised* | | *Issued and now to be issued fully paid* |
|---|---|---|
| **£800,000** | **divided into 8,000,000 Ordinary shares of 10p each** | **£720,000** |

On 1st September, 1971, the Company and its subsidiaries had secured bank overdrafts totalling £77,606, mortgage loans totalling £16,354, and hire purchase commitments totalling £11,567.
Save as mentioned, neither the Company nor any of its subsidiaries had outstanding any bank overdrafts or other similar indebtedness, mortgages, debentures, charges, hire purchase commitments, guarantees or other material contingent liabilities.

# J. F. Nash & Partners Limited

## Offer for Sale

## 2,000,000 Ordinary shares of 10p each at 14p per share payable in full on application

*The shares now offered will rank in full for all dividends hereafter declared or paid on the Ordinary share capital of the Company*

PROCEDURE ON APPLICATION
Applications must be for a minimum of 500 shares and must be made on the forms provided in accordance with the terms thereof and must be for the following multiples:
Applications for not more than 5,000 shares, in multiples of 500 shares.
Applications for over 5,000 and not more than 20,000 shares, in multiples of 1,000 shares,
*Applications for over 20,000 shares, in multiples of 5,000 shares.*
Applications must be lodged with J. F. Nash & Partners Limited, 9 Station Road, Kettering, Northamptonshire, or Greene & Co., 1 Copthall Chambers, London, EC2R 7JA by 10.00 a.m. on 30th September, 1971. A separate cheque for the full amount payable on application must be sent with each application form. It must be drawn on a bank or branch thereof in England, Scotland or Wales, made payable in England, Scotland or Wales to "J. F. Nash & Partners Limited" and crossed "not negotiable". No application will be considered unless the above conditions are fulfilled.
J. F. Nash & Partners Limited reserves the right to present all cheques for payment on receipt and to retain Letters of Acceptance and excess application moneys pending clearance of applicants' cheques. Due application and delivery of an application form, accompanied by the necessary cheque, shall constitute an undertaking that the cheque will be honoured on first presentation and a declaration to that effect is contained in the application form. J. F. Nash & Partners Limited reserves the right to reject any applications including multiple applications or suspected multiple applications.
Preferential consideration will be given to applications made by employees (including Executive Directors) of the Company and its subsidiaries up to a total of 200,000 shares. Preferential consideration will also be given to applications from existing shareholders in the Company up to a total of 200,000 shares. Special pink forms are available for such preferential applications by employees and special blue forms for such preferential applications by shareholders.
Acceptances of applications will be conditional upon permission to deal in and quotation for the whole of the share capital issued and now to be issued of the Company being granted by the Council of The Stock Exchange, London, not later than 8th October, 1971. Moneys paid in respect of applications will be returned if such permission and quotation are not granted by that date and in the mean will be retained by J. F. Nash & Partners Limited in a separate bank account. If any application i accepted, or is accepted for fewer shares than the number applied for, the application moneys o balance thereof, as the case may be, will be returned by cheque through the post at the applicant's
Arrangements have been made for the registration by the Company of the shares now offere sale free from stamp duty and registration fees in the names of the purchasers or persons in w favour Letters of Acceptance have been renounced, provided that, in the case of renunciation, Le of Acceptance duly completed in accordance with the instructions contained therein are lodge registration on or before 3rd November, 1971. Share certificates will be ready for issue on 1st De ber, 1971.
Copies of this Offer for Sale and application form may be obtained from J. F. Nash & Pa Limited, 9 Station Road, Kettering, Northamptonshire, Greene & Co., 1 Copthall Chambers, Lo EC2R 7JA, and Margetts & Addenbrooke, 77 Colmore Row, Birmingham, B3 2AT.

DIRECTORS
JOHN FREDERICK NASH, F.C.A., The Manor House, Burton Latimer, Kettering, Northamptonshire. (Chairman)
ISAAC EMANUEL, 4 Elm Walk, Gidea Park, Romford, Essex. (Managing Director)
WILLIAM THOMAS BAKER, 83 Worrin Road, Brentwood, Essex.
TERENCE WILLIAM DONOVAN, 18 St. Peter's Road, Oundle, Northamptonshire.
NORMAN JAMES HOLLANDERS, 7 Ardleigh Green Road, Emerson Park, Hornchurch, Essex.
ARTHUR JAMES SALMON, 124 Main Road, Gidea Park, Romford, Essex.
JOHN JEREMY TILBROOK, A.C.A., 16 High Street, Stanion, Kettering, Northamptonshire.

SECRETARY AND REGISTERED OFFICE
PETER JOHN REX SAWFOOT, 9 Station Road, Kettering, Northamptonshire.

BANKERS
MIDLAND BANK LIMITED, High Street, Kettering, Northamptonshire.
BROKERS
GREENE & CO., 1 Copthall Chambers, London, EC2R 7JA and The Stock Exchange, London.
SOLICITORS TO THE COMPANY AND TO THE OFFER
JAQUES & CO., 2 South Square, Gray's Inn, London, WC1R 5HR.
AUDITORS AND REPORTING ACCOUNTANTS
PEAT, MARWICK, MITCHELL & CO., Windsor House, Temple Row, Birmingham, B2 5LD. (Chartered Accountan
REGISTRARS
J. F. NASH & PARTNERS LIMITED, 9 Station Road, Kettering, Northamptonshire.

HISTORY
Empress Services (Holdings) Limited ("the Company") was incorporated in England on 3rd March, 1911, under the name of The Yataderia Rubber and Tea Company Limited to carry on the business of planters of tea and rubber, estate owners, merchants and manufacturers in Ceylon.
In June, 1966, the Company sold its tea and rubber estates and changed its main business to become an investment trust, adopting the name Yataderia Investments Limited in December, 1966.
On 21st April, 1969, at the request of the Directors the Company's quotation on The Stock Exchange, London, was temporarily suspended pending a reorganisation of the Company's share capital and business activities.
On 6th February, 1970, the shareholders of the Company in general meeting, *inter alia*, (a) approved the acquisition by the Company of the whole of the issued share capital of Empress Services (Ilford) Limited ("Empress") which had wholly owned subsidiaries (together hereinafter referred to as "the Empress Group") for a consideration satisfied by the allotment, credited as fully paid, of 5,000,000 10p Ordinary shares in the Company (b) adopted new Articles of Association and (c) approved the change of name to its present title. Empress was incorporated on 27th November, 1962 to take over the business of industrial, commercial and office cleaning carried on by Mr. I. Emanuel and commenced trading on 1st April, 1964.
On the 24th March, 1966 Mr. I. Emanuel acquired a controlling interest in Harrow & Bessborough Window Cleaning Service Limited, a company carrying on a business of a similar nature to Empress. Harrow & Bessborough Window Cleaning Service Limited became a wholly owned subsidiary of Empress on 1st April, 1969.
During 1966 Empress acquired the painting contracting business carried on by Mr. W. T. Baker and subsequently this business was transferred to Baker & Walker Limited, a wholly owned subsidiary of Empress.
E.W.G. Electrical Services Limited, a wholly owned subsidiary of Empress, was incorporated on 10th November, 1969 to carry on the businesses of electrical lighting maintenance previously carried on by Empress and industrial electrical installation. It commenced trading on 1st April, 1970 and during the year to 31st March, 1971 incurred losses in connection with its industrial electrical installation activities and these activities have now been discontinued.
The Company and the Empress Group are together referred to as "the Group".

BUSINESS
The principal activity of the Empress Group is the cleaning of industrial, commercial and office premises and it has particular expertise in floor treatment processes and applications. Its operations cover principally London, the Home Counties, the East Midlands and North West England and are managed from the Group's regional offices in London, Liverpool, Swindon and Stevenage or, where the work warrants permanent supervision, from offices located at customers' premises. In addition, the Empress Group carries on business as painting contractors and electrical lighting maintenance contractors and these additional operations are allied to the principal activity of cleaning and enable the Empress Group to offer a wide range of services to its customers. The majority of these activities are carried on under monthly contracts. The approximate proportion of turnover applicable to these activities is as follows:—

| | Years ended 31st March, 1969 % | 1970 % | 1971 % |
|---|---|---|---|
| Cleaning | 91 | 88 | 86 |
| Painting | 6 | 10 | 9 |
| Electrical | 3 | 2 | 5 |
| | 100 | 100 | 100 |

The Empress Group has approximately 230 customers, many of which are nationally known companies. The type of work carried out necessitates a high standard of quality and varies from the cleaning of prestige office blocks to the cleaning and painting of factories, plant and machinery. In the year ended 31st March, 1971, approximately 55 per cent of the Empress Group's turnover was in respect of work for three major customers, namely The Ford Motor Company Limited, The Plessey Company Limited and Standard Telephones and Cables Limited, but no one of these customers accounted for more than 28 per cent. of such turnover. These companies have been customers since 1964, 1966 and 1963 respectively. In each case the work involved the cleaning of a number of premises situated in various parts of the country.
The Company continues to hold quoted investments in Ceylon as that country's exchange control regulations prohibit the remittance of capital. In the event of these regulations being relaxed, it would be the policy of the Company to realise these investments and remit the proceeds to the U.K.

PREMISES
The Empress Group operates from the following premises:

| | Description | Tenure | Approximate Area |
|---|---|---|---|
| 304 High Road, Ilford, Essex. | Head office | Freehold | 2,270 sq. ft. |
| 25 Orchard Road, Stevenage, Herts. | Stores depot, office and garage | Leasehold until 5th November, 1973, at £300 per annum | 1,000 sq. ft. |
| 371–373 East Prescott Road, Knotty Ash, Liverpool. | Area office | Freehold | 1,000 sq. ft. |
| Kembrey Warehouse, 255 Cricklade Road, Swindon, Wilts. | Area office | Leasehold for 3 years from 1st January, 1969, at £624 per annum | 5,000 sq. ft. |
| 162A High Road, Ilford, Essex. | Area office | Leasehold for 7 years from 25th March, 1969, at £400 per annum | 600 sq. ft. |

Management and Staff
Mr. J. F. Nash, aged 43, who was elected to the Board and became Chairman of the Company in August, 1968, is also *Chairman of a number of other public companies including J. F. Nash Securities Limited, Gailey Group Limited, Queens* Modern Hotels Limited and Oliver Rix Limited and serves the Company in a non-executive capacity. He will, however, devote substantial attention to the Group's affairs and will continue to be responsible for the overall financial policy of the Group.
Mr. I. Emanuel, aged 44, the founder of the business carried on by Empress, has been the chief executive of Empress since its incorporation and has been involved in the industrial cleaning industry for over 15 years.
*Mr. W. T. Baker, aged 38, is the Director responsible for the painting contracting subsidiary and was the founder of that* business.
Mr. N. J. Hollanders, aged 44, is Sales Director. He joined Empress in 1967 and has had over 20 years experience in sales administration and marketing.
Mr. A. J. Salmon, aged 40, is Production Director with special responsibility for the administration of contracts and has been with Empress since its incorporation.
Mr. J. J. Tilbrook, aged 29, and Mr. T. W. Donovan, aged 31, are Executive Directors of J. F. Nash & Partners Limited and serve on the Board of the Company in a non-executive capacity.
Details of the full-time service contracts of Mr. Emanuel, Mr. Salmon, Mr. Hollanders and Mr. Baker are given under Material Contracts below.
The Board is supported by an experienced team of executives including Regional Managers, Area Managers, Site Foremen and Supervisors. The Group employs approximately 1,750 persons and in addition employs the services of a number of persons on a part-time sub-contracting basis. Relations between management and staff are excellent.
Whittalls Estates & Agencies Limited of Colombo, Ceylon, a company which specialises as company secretaries and registrars, manages on behalf of the Company its quoted investments in Ceylon.

Working Capital
Having regard to the bank facilities available and the estimated net proceeds of the 799,930 new Ordinary shares of 10p each subscribed for by J. F. Nash & Partners Limited amounting to £87,250, the Directors consider that the Group has sufficient working capital for its present requirements.

Profits, Prospects and Dividends
The profits of the Group for the year ended 31st March, 1971, amounted to £107,431 before charging £10,638 relating to exceptional losses of a subsidiary company and before taxation.
In the absence of unforeseen circumstances, the Directors expect that the profits of the Group for the year ending 31st March, 1972, after all expenses but before taxation, will be not less than £140,000.
The Directors are actively pursuing a policy of expansion and the above forecast reflects the expected growth of profits in the Group. The new money now being raised which will amount to approximately £87,250 net of all expenses will be used to provide additional working capital for new contracts in the course of negotiation.
On the basis of the forecast profits it would be the Directors' intention to recommend dividends totalling 10 per cent. of which 4 per cent. would be paid as an interim dividend in or about February, 1972 and 6 per cent. as a final dividend in or about September, 1972, and the profits before taxation of £140,000 would be dealt with as follows:—

| | | |
|---|---|---|
| Profit before taxation | | £140,000 |
| *Less:* Corporation tax at 40 per cent. | | 56,000 |
| | | 84,000 |
| *Less:* Dividends totalling 10 per cent. (gross) | £72,000 | |
| *Less:* Dividends waived (see note below) | 20,000 | |
| | | 52,000 |
| Retained profit | | £32,000 |

On the basis of the above illustration and at the issue price of 14p per share, the Ordinary shares of the Company would show a gross dividend yield of 7.14 per cent. and the price earnings multiple would be 12.0. The dividends would be covered by available earnings 1.61 times taking into account the dividends waived and 1.16 times without such waiver.
Note:
Mr. I. Emanuel has agreed to waive all dividends payable on 2,000,000 Ordinary shares in respect of the years ending 31st March, 1972, and 31st March, 1973. (See Contract 7 below.)

ACCOUNTANT'S REPORT
The following is a copy of a report by Peat, Marwick, Mitchell & Co.:
*The Directors,* 23rd September, 1971
Empress Services (Holdings) Limited
and
J. F. Nash & Partners Limited
Dear Sirs,
We have examined the audited Accounts of Empress Services (Holdings) Limited, formerly Yataderia Investments Limited ("the Company"), and its present subsidiary companies ("the subsidiaries") for the periods stated below:

| | |
|---|---|
| The Company | Five years and three months to 31st March, 1971. |
| Empress Services (Ilford) Limited | Five years to 31st March, 1971. |
| Harrow & Bessborough Window Cleaning Service Limited | Five years to 31st March, 1971. |
| *Baker & Walker Limited* | From 12th August, 1968 (*date of incorporation*) to 31st March, 1971. |
| E. W. G. Electrical Services Limited | From 10th November, 1969 (date of incorporation) to 31st March, 1971. |

We have also examined the Accounts of a Partnership (which previously carried on the business of Baker & Walker Limited) for the period from 1st January, 1966 to 31st March, 1969.
The whole of the issued share capital of Empress Services (Ilford) Limited (of which the other companies were wholly owned subsidiaries) was acquired by the Company in February, 1970 in consideration of new shares issued by the Company.
The Company and the subsidiaries are collectively referred to as "the Group".
We have audited the Accounts of the Company for the period of 15 months to 31st March, 1971 and the Accounts of the subsidiaries for the year ended 31st March, 1971.
We report as follows:—
1 Profits
*The profits (less losses) of the Group for the five years to 31st March, 1971 were as follows:*

| (1) Years to 31st March | (2) Turnover £ | (3) Depreciation £ | (4) Net Investment Income/(Losses) of the Company before Taxation £ | (5) Profits (less losses) of the subsidiaries before Taxation £ | (6) Profits (less losses) of the Group before Taxation £ |
|---|---|---|---|---|---|
| 1967 | 378,104 | 8,864 | (3,246) | 28,618 | 25,372 |
| 1968 | 459,675 | 12,297 | 2,903 | 61,102 | [illegible] |
| 1969 | 752,594 | 15,028 | 2,685 | [illegible] | [illegible] |
| 1970 | 1,124,486 | 16,321 | 4,144 | [illegible] | [illegible] |
| 1971 | 1,418,714 | 19,157 | [illegible] | [illegible] | [illegible] (See Note 4) |

Notes:
1 Turnover represents the net invoiced sales for work done by the subsidiaries. Inter-Group sales have been eliminated on an actual basis for the year to 31st March, 1971 and on an estimated basis for the year to 31st March, 1970; the amounts of inter-Group sales for the earlier years have not been eliminated but are considered to be not material in relation to the total turnover.
2 No depreciation has been charged on freehold properties. Depreciation has been charged on other fixed assets at rates calculated on written-down values to write off their cost over estimated useful life.
3 The profits (less losses) shown in column (6) are after charging all operating and management expenses including depreciation and Directors' emoluments and after making such adjustments as we consider appropriate.
4 The amount included in column (6) in respect of the year to 31st March, 1971 is after deducting the losses of E.W.G. Electrical Services Limited amounting to £10,638. These losses arose substantially on contracts for major industrial *electrical installation work; this type of work was subsequently discontinued.*
5 Complete records of stock for the subsidiaries are not now available at the accounting dates up to and including 31st March, 1969. We are therefore unable to confirm the profits for the first four years. However, Langford, Dyer & Jeffs, *Public Accountants and Auditors, the auditors of Empress Services (Ilford) Limited and Harrow & Bessborough* Window Cleaning Service Limited for the year ended 31st March, 1967, and Graff Rickman & Co., Chartered Accountants, the auditors of all other accounts of the subsidiaries for other periods to 31st March, 1970, have confirmed that *stock sheets were available to them and that they were satisfied that the stocks were properly taken and valued on* consistent bases.
6 The results of the Company and of the Partnership which previously carried on the business of Baker & Walker Limited *have been apportioned on a time basis to years ended 31st March.*
7 The emoluments of the present Directors of the Company charged in arriving at the profits for the year to 31st March, 1971 were £22,000 and would have been the same under arrangements now in force.

2 Net Tangible Assets
The net tangible assets of the Company and of the Group based on the audited Balance Sheets at 31st March, 1971, *after taking account of the estimated net proceeds of the proposed issue by the Company of 799,930 Ordinary shares of* 10p each are as follows:—

| The Company £ | £ | | The Group £ | £ |
|---|---|---|---|---|
| | | **Fixed Assets** | | |
| | | Freehold property at cost | | 32,971 |
| | | Plant, machinery, vehicles and other equipment at cost | 125,072 | |
| | | *Less:* Accumulated depreciation | 55,770 | |
| | | | | 69,302 |
| | | | | 102,273 |
| | | **Investments** | | |
| | 37,317 | Quoted in United Kingdom: at cost (market value £35,423) | 37,317 | |
| | 54,267 | Quoted in Ceylon: at cost less amounts written off (Note 1) (market value £34,840) | 54,267 | |
| 91,584 | | | | 91,584 |
| | | **Investments in Subsidiary Companies** | | |
| | 503,939 | Shares at cost | | |
| | 94,664 | *Add:* Amounts due from subsidiaries | | |
| 598,603 | | | | — |
| 690,187 | | | | 193,857 |
| | | **Current assets** | | |
| | — | Stock and work-in-progress at lower of cost and net realisable value | 46,824 | |
| | 1,896 | Debtors and prepayments | 359,901 | |
| | 22,040 | Cash at bank and in hand (Note 2) | 22,504 | |
| | 23,936 | | 429,229 | |
| | | *Less:* Current liabilities | | |
| | 4,182 | Bank overdrafts (secured) | 42,520 | |
| | — | Capital amounts outstanding under hire purchase agreements | 12,652 | |
| | 2,781 | Creditors and accrued charges | 120,140 | |
| | 4,204 | Current taxation | 104,451 | |
| | 30,500 | Proposed dividend (gross) | 30,500 | |
| | 41,667 | | 310,263 | |
| (17,731) | | Net current assets (liabilities) | | 118,966 |
| 672,456 | | | | 312,823 |
| — | | *Deduct:* Loan (Note 3) | | 16,120 |
| 672,456 | | | | 296,703 |
| | | *Add:* Proceeds of the issue of 799,930 Ordinary shares of 10p each in the Company at 14p less 2% (£109,750) less estimated expenses of the Offer (£22,500) | | |
| 87,250 | | | | 87,250 |
| £759,706 | | Adjusted net tangible assets | | £383,953 |

Notes:
1 The middle market value of investments quoted in Ceylon is based upon Rupee prices quoted in Ceylon and converted at a rate of 7p per Rupee. The proceeds from any realisations of these investments are subject to the restrictions of *Ceylon exchange control regulations and would not normally be remittable. In the event of proceeds from realisations* of investments becoming remittable it is not possible to estimate the amount of the ultimate proceeds or the rate of exchange for such remittances.
2 Cash at bank and in hand includes £22,040 in Ceylon which is subject to Ceylon exchange control regulations. Under the present regulations £15,440 is not remittable and the balance is remittable subject to the purchase of Foreign Exchange Entitlement Certificates. Conversion to sterling is at 7p per Rupee.
3 The loan of £16,120 is secured on the freehold properties and bears interest at 9½ per cent. per annum and is repayable in annual instalments terminating in 1977.
3 Dividends
The only dividend paid for the five years was a final dividend of 10 per cent. on the issued capital of £640,007 declared in respect of the fifteen months ended 31st March, 1971 and paid on 6th September, 1971. Mr. I. Emanuel waived his entitlement to this dividend amounting to £33,500 gross.
4 Accounts
No audited accounts of the Company or any of its subsidiaries have been prepared for any period subsequent to 31st March, 1971.

Yours faithfully,
PEAT, MARWICK, MITCHELL & CO.,
*Chartered Accountants*

STATUTORY AND GENERAL INFORMATION

Alterations in Capital
Prior to the coming into effect of certain Special Resolutions passed at an Extraordinary General Meeting of the Company held on 9th October, 1968, the capital of the Company was £150,000 divided into 9,993 shares of £1 each none of which was issued and 1,400,070 stock units of 10p each all of which were issued and credited as fully paid up.
On 3rd March, 1969, the High Court of Justice confirmed the scheme effected by the said Special Resolutions for the reduction of the capital to £79,996 50 by writing off 5p per stock unit on each of the issued 10p stock units and for consolidating the 1,400,070 stock units of 5p each into 700,035 stock units of 10p each and for increasing the capital to £150,000 by the creation of 700,035 new stock units of 10p each.
On 29th July, 1969, the Company issued 700,035 stock units of 10p each to stockholders by way of rights at par on the basis of one new stock unit for each stock unit held on 28th July, 1969. The net proceeds of this issue amounted to approximately £67,000.
On 22nd August, 1969, the Company increased its capital from £150,000 to £300,000 by the creation of 150,000 new shares of £1 each.
On 6th February, 1970, (a) the stock units of 10p each were converted into Ordinary shares of 10p each; (b) the shares of £1 each were subdivided and converted into Ordinary shares of 10p each; (c) the capital of the Company was increased to £800,000 by the creation of 5,000,000 new Ordinary shares of 10p each; and (d) 5,000,000 new Ordinary shares of 10p each were issued credited as fully paid in consideration for the acquisition of the Empress Group.

Offer for Sale
Under Contract 7 below, J. F. Nash & Partners Limited has agreed, subject to permission to deal in and quotation for the whole of the share capital, issued and now to be issued, of the Company being granted by the Council of The Stock Exchange, London, not later than 8th October, 1971, to subscribe for 799,930 Ordinary shares of 10p each in the Company at a price of 14p per share less a commission of 2 per cent. As at the date hereof J. F. Nash & Partners Limited is already *the holder of 1,912,432 Ordinary shares of 10p each in the Company. J. F. Nash & Partners Limited is paying an under*writing commission of 2 per cent. on the price of the shares offered for sale. A sum amounting to £109,750 in respect of the shares subscribed by J. F. Nash & Partners Limited will be credited to the Company and such sum (less the expenses of *this Offer for Sale) will be paid to the Company's bank account, but, save as aforesaid, no part of the consideration in* respect of the shares to which this Offer for Sale relates will be received by the Company.

Subsidiary Companies
The following are the wholly owned subsidiaries within the Group, all of which were incorporated in England:—

| Name | Date of Incorporation | Business | Issued Share Capital £ |
|---|---|---|---|
| Empress Services (Ilford) Limited | 27.11.62 | Contract Cleaning | 2,000 |
| Harrow & Bessborough Window Cleaning Service Limited | 14.4.49 | Contract Cleaning | 14,000 |
| Baker & Walker Limited | 12.8.68 | Painting Contractors | 1,000 |
| E.W.G. Electrical Services Limited | 10.11.69 | Electrical Contractors | 100 |

ARTICLES OF ASSOCIATION
The *Articles of Association of the Company (adopted 6th February, 1970, and as subsequently amended) contain* provisions (*inter alia*) to the following effect:—
1 Voting
i Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any special class of shares in the capital of the Company, on a show of hands, every member personally present shall have one vote only and, in case of a poll, every member shall (subject as hereinafter provided) have one vote for every ordinary share of 10p held by him. On a poll being taken at a meeting of the Company or at a meeting of any class of members, a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
ii Subject to the provisions of the Companies Act 1948, all or any of the rights or privileges for the time being attached to any class of shares forming part of the capital for the time being of the Company (and notwithstanding that the Company may be or be about to be in liquidation) may be modified or abrogated in any manner with the sanction of an *extraordinary* resolution passed at a separate meeting of the members of that class. To any such separate meeting, all the provisions of these articles as to general meetings (including the obligation to notify members as to their right to appoint proxies) shall *mutatis mutandis* apply provided always that the necessary quorum shall be members of the class *holding or representing by proxy one-third of the capital paid up on the issued shares of the class*, and that the members of such class shall on a poll have one vote for each share of the class held by them respectively, provided also that if at any adjourned meeting of the members of such class a quorum as above defined is not present those members who are present shall form a quorum.
2 Borrowing Powers
Subject as hereinafter provided, the Directors may exercise all the powers of the Company to borrow money, mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of exercisable by the Company in relation to its subsidiary companies (if any) so as to secure (so far as by such res and exercise they can do so) that the aggregate amount for the time being remaining undischarged of all mon rowed by the Company and/or any of its subsidiary companies (exclusive of moneys borrowed by the Compa and for the time being owing to any such subsidiary or by any such subsidiary from and for the time being owin Company or another such subsidiary) shall not at any time without the previous sanction of an ordinary resol the Company exceed three times the amount paid up on the share capital of the Company for the time being For the purposes of the said limit the issue of debentures shall be deemed to constitute borrowing notwiths that the same may be issued in whole or in part for a consideration other than cash.
3 Directors
i Unless and until otherwise determined by the Company in general meeting, either generally or in any particul no Director shall vacate or be required to vacate his office as a Director by reason of his attaining of having the age of seventy or any other age, and any Director retiring or liable to retire under these provisions and an proposed to be appointed a Director shall be capable of being re-appointed or appointed (as the case may Director notwithstanding that at the time of such re-appointment or appointment he has attained the age of and no special notice need be given of any resolution for the re-appointment or appointment or approving the ment as a Director of a person who shall have attained the age of seventy, and it shall not be necessary to gi members notice of the age of any Director or person proposed to be re-appointed or appointed as such.
ii The remuneration of the Directors shall from time to time be determined by the Company in general meeting such remuneration shall (unless otherwise directed by the resolution by which it is voted) be divided amo Directors as they shall agree or, *failing agreement*, equally. The Directors shall also be entitled to be repaid all t hotel and other expenses properly incurred by them in and about the business of the Company, including their of travelling to and from board or committee meetings.
iii The Directors may grant special remuneration to any member of the board who, being called upon, shall be render any special or extra services to the Company, or to go or reside abroad in connection with the conduct the affairs of the Company. Such special remuneration may be made payable to such Director in addition *substitution for his ordinary remuneration as a Director, and may be made payable by a lump sum or by way of* or by a percentage of profits, or by any or all of those modes.
iv Subject to the provisions of Sections 191 and 192 of the Companies Act 1948 and without prejudice to *powers conferred upon them the Directors on behalf of the Company may pay a gratuity or pension or allo* retirement to any Director who has held any other salaried office or place of profit with the Company or to or dependants and may make contributions to any fund and pay premiums for the purchase or provision of gratuity, pension or allowance.
v The Directors may from time to time appoint one or more of their body to be Managing Director or Managin ors, for such period, at such remuneration and upon such terms as to the duties to be performed, the pow exercised and all other matters as they think fit, but so that no Managing Director shall be invested with any p entrusted with any duties which the Directors themselves could not have exercised or performed. The remune a Managing Director may be by way of salary or commission or participation in profits, or by any or all modes, and it may be made a term of his appointment that he be paid a pension or gratuity on retirement office.
vi A Director may hold any other office or place of profit under the Company (except that of auditor) in co with his office of Director and on such terms as to remuneration and otherwise as the Directors shall approv
vii A Director may contract with and be interested in any contract or proposed contract with the Company vendor, purchaser or otherwise, and shall not be liable to account for any profit made by him by reason of contract or proposed contract, provided that the nature of the interest of the Director in such contract or contract be declared at a meeting of the Directors as required by and subject to the provisions of Section Companies Act 1948. No Director shall vote as a Director in respect of any contract or arrangement in which be interested and, if he do so vote, his vote shall not be counted; but this provision shall not apply to any for giving a Director security for advances or by way of indemnity or to any allotment to or any contract or *ment for the underwriting or subscription by a Director of shares or debentures of the Company or to any* made in exercise of the powers mentioned in sub-paragraph (iv) above.
viii Unless the Company in General Meeting shall determine otherwise no Directors' share qualification is requi

MATERIAL CONTRACTS
The following contracts which are or may be material have been entered into otherwise than in the ordinary c business within the two years immediately preceding the publication of this Offer for Sale:
1. Dated 9th January, 1970 between (1) I. Emanuel, A. J. Salmon, N. J. Hollanders, W. T. Baker, C. A. Nuttall, Nash & Partners Limited and (2) the Company whereby the whole of the issued share capital *of Empress was p* by the Company.
2 Dated 9th January, 1970 between (1) I. Emanuel and (2) the Company being a service agreement for a period of from 9th January, 1970, at a salary of £10,000 *per annum plus a commission of 2½ per cent. of the pre-ta* profits in excess of £150,000 rising to 5 per cent. of the pre-tax annual profits in excess of £200,000.
3 Dated 9th January, 1970 between (1) A. J. Salmon and (2) Empress being a service agreement for a period o from 9th January, 1970, at an annual salary of £3,500 with reviews every two years.
4 Dated 9th January, 1970 between (1) N. J. Hollanders and (2) Empress being a service agreement for a period o from 9th January, 1970, at an annual salary of £4,000 with reviews every two years.
5 Dated 9th January, 1970 between *(1) W. T. Baker and (2) Empress* being a service agreement for a period o from 9th January, 1970, at an annual salary of £4,000 with reviews every two years.
6 Dated 23rd September, 1971, between (1) I. Emanuel and (2) the Company being an agreement amending C *above in respect of the warranty relating to the profits of the Empress Group for the year ended 31st March,*
7 Dated 23rd September, 1971, between (1) the Company and (2) J. F. Nash & Partners Limited whereby (a) J. F. Partners Limited agreed to subscribe for 799,930 Ordinary shares of 10p each in the Company and to offer *shares, and also 1,200,070 Ordinary shares of 10p each* in the Company already held by J. F. Nash & Partners for sale pursuant to this Offer for Sale and (b) Mr. Emanuel agreed to retain until 31st October, 1973, 2,000,000 shares of 10p each in the Company and to waive all dividends on such shares in respect of the years ending 31st *1972 and 31st March*, 1973.

GENERAL
1 Except as herein mentioned (i) there has been no alteration in the share capital of the Company or any of its sub and no share or loan capital of the Company or any of its subsidiaries has been issued during the two years p the date of this Offer nor is any proposed to be issued (ii) no share or loan capital of the Company or of subsidiaries is under option or agreed conditionally or unconditionally to be put under option (iii) no com discounts, brokerages or other special terms have been granted within the two years preceding the date of this connection with the issue or sale of any capital of the Company or of any of its subsidiaries, (iv) no amount o has been given within the two years preceding the date of this Offer or is intended to be so paid or given by the C or any of its subsidiaries to any promoter or to any person to induce him to become or to qualify him to Director of the Company or any of its subsidiaries, (v) there are no agreements or arrangements with any di employees of the Company or any of its subsidiaries which cannot be terminated without payment of damages (vi) the Company and its subsidiaries have no litigation or claims of material importance pending ened against them and (vii) no Director has had any beneficial interest in any assets acquired or disposed of contract entered into by the Company or its subsidiaries within the two years preceding the date of this Off
2 The Directors and their families, as defined in the regulations of The Stock Exchange, London, will after t for Sale and on the basis of full acceptance be interested in the following Ordinary shares of 10p each in the Co

| | Beneficial interests (including family interests) |
|---|---|
| Mr. J. F. Nash | 712,352* |
| Mr. I. Emanuel | 3,450,000 |
| Mr. W. T. Baker | 100,000 |
| Mr. T. W. Donovan | 5,000 |
| Mr. N. J. Hollanders | 50,000 |
| Mr. A. J. Salmon | 50,000 |
| Mr. J. J. Tilbrook | 5,000 |

*Mr. Nash's holding shown above comprises the Ordinary shares of 10p each in the Company in which he is by virtue of his controlling shareholding in J. F. Nash Securities Limited. J. F. Nash & Partners Limited is a of J. F. Nash Securities Limited.
Save as aforesaid, the Directors are not aware of any beneficial holding of 10 per cent. or more of the capi Company.
3 The minimum amount which in the opinion of the Directors must be raised by the issue of 799,930 Ordina subscribed by J. F. Nash & Partners Limited is £109,750. Of this amount £22,500 is required to provide for the expenses payable by the Company in connection with this Offer for Sale and the balance of £87,250 will be re the purposes of working capital. No other amounts are to be provided thereout or in any other manner for matters referred to in paragraph 4 of Part I of the Fourth Schedule of the Companies Act 1948.
4 Mr. Nash, Mr. Tilbrook and Mr. Donovan are Directors of J. F. Nash & Partners Limited, which company a fee for its services in connection with this Offer for Sale and which receives fees for acting as registrars to the
5 The Directors are advised that, immediately following the completion of this Offer for Sale, the Company close company as defined by Section 282 of the Income and Corporation Taxes Act 1970.
6 Peat, Marwick, Mitchell & Co. have given and have not withdrawn their written consent to the issue of Sale with the inclusion therein of their report in the form and context in which it appears. Langford, Dyer Graff Rickman & Co. have given and have not withdrawn their written consent to the inclusion of the refere names in Note 5 on Profits in the Accountants' Report.
7 The above-mentioned consent given by Langford, Dyer & Jeffs and Graff Rickman & Co. and the consent of adjustments given by Peat, Marwick, Mitchell & Co. in arriving at the figures shown in their report and therefor and copies of the contracts listed above were attached to the copy of this Offer for Sale delivered to th of Companies for registration.
8 The aggregate costs and expenses payable by the Company in respect of the Offer for Sale are estimated to £22,500.
9 Copies of the following documents may be inspected at the offices of Greene & Co., 1 Copthall Chamber EC2R 7JA, and J. F. Nash & Partners Limited, 9 Station Road, Kettering, during usual business hours on an (excluding Saturdays) for a period of 14 days from the date of publication of this Offer for Sale:
(a) The Memorandum and Articles of Association of the Company.
(b) The audited Accounts of the Company for the year ended 31st December, 1969, and for the 15 months March, 1971.
(c) The audited Accounts of Empress, Harrow & Bessborough Window Cleaning Service Limited and Walker Limited for the two financial years ended 31st March, 1971, and of E.W.G. Electrical Services Li the period ended 31st March, 1971.
(d) The report of Peat, Marwick, Mitchell & Co. and the statement of adjustments with the reasons therefo *confirmation of satisfaction given by Langford, Dyer & Jeffs and Graff Rickman & Co.*
(e) The above-mentioned consents.
(f) Copies of the material contracts referred to herein.
*Dated 23rd September, 1971.*

# Test firm-price tender policy, say builders

BY MICHAEL CASSELL

THE Federation of Master Builders bas cballenged the Government to allow the construction industry a chance to prove whether or not the present firm-price tendering policy is inflationary.

In a week-end speech at Birmingham, Mr. K. L. Warne, president of the Federation, called on behalf of the industry for an opportunity to test the contention of Mr. Julian Amery, Minister for Housing and Construction, that the policy was dis-inflationary and designed to keep pricea down.

He told members of the Federation's Midland region: "To test this theory let us bave a cross-section of cootractors in the industry with tenders invited on a fixed-price basis and also some with a rise and fall clause, as was once the practice with large London County Council contracts. This would be a truo indication of whether the policy was a wise one."

## Town planning

Mr. Warne claimed that the industry was no nearer to a solution of what he called a farcical policy than it was a year ago, and in the meantime prices had risen at a faster rate than at any previous stage in the industry's history.

"The rise continues, possibly at a slower rate than in the last year, but we bave no guarantee that this will continue, especially in the case of timber products and non-ferrous metals."

Mr. Warne stressed that, quite apart from the two-year fixed price period laid down in Government and local authority contracts, delays in loan sanctioning and in town planning could hold up construction work for months.

"Surely it is due to the contractor that the increased costs incurred between submission of tender and date of commencement of work should be paid. This in itself would remove ooe uncertainty and in addition would probably speed up the commencement and shorten the lengthy procedures now involved."

The president emphasised that bis Federation had tried to see the Government's viewpoint on the whole question of firm prices, in spite of increasing pressure on the industry. "We bave tried to be constructive and now it is open to the Minister to respond."

However, only earlier this month, Mr. Amery repeated bis view that the policy was helping to combat inflation and he saw no early prospect of a change in the existing situation. The industry, on the other band, is equally determined to maintain pressure on the Minister in an effort to get the policy amended or removed altogether.



# Small builder: tax plea to Chancellor

BY MICHAEL CASSELL

A PLEA to the Chancellor to safeguard the future of the small builder in any reform of Corporation Tax has beeo made by the construction industry.

Representations made by the National Federatioo of Building Trades Employers and the Federatioo of Civil Engineering Contractors are the first official reaction from the industry to the Government's Green Paper which deals with three alternative systems of company taxation.

A joint working party set up to consider the proposals bas told Mr. Barber that it is the small builders that are forced to retain a high proportion of their profits and therefore seem likely to suffer from the Government's proposals.

## Two-rate system

"An increase in the rate of Corporation Tax from 40 per cent. to approximately 50 per cent. would greatly increase their Corporation Tax liability and this, in turn, would render it far more difficult, if not impossible, for companies in this category to generate internally the finance needed for their normal business requirements, still less for their expansion."

The working party is particularly critical of the two-rate system of Corporation Tax which it says the Government favours on domestic grounds. "It would be difficult to overcome certain domestic problems and virtually impossible to solve overseas tax credit problems and, in principle, the working party considers it unwise to separate corporation tax liability from individual tax liability."

It also objects to this particular system because of its effects on groups of companies. The working party points out that according to the Green Paper, dividends payable would bave to be paid net after deduction of tax which would involve a strain on cash flow, a problem avoided under the pre-1965 arrangement as the recipient company was deemed to bave received the dividend under deduction of tax.

On the question of tax harmonisation, the working party has told the Chancellor that, assuming the U.K. joins the Common Market and then bas to align its own system, it will be important to ensure that the minimum amount of disturbance is caused by the changes involved.

"While there would appear to be no great difficulty in changing from the imputation system to the pre-1965 system, to change from the two-rate method of operation to either of the other alternatives would cause substantial disturbance."



# F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses after sectional names show number of stocks.

| | EQUITY GROUPS | Fri. Sept. 24, 1971 Index No. | Day's Change % | With 40% Corporation Tax: Est. Earnings yield % | Est. Price Earnings Ratio | Div. yield % | Wed. Sept. 22, 1971 Earnings Yield | P/E Ratio | Dividend Yield | Tue. Sept. 21, 1971 Earnings Yield | P/E Ratio | Dividend Yield | Mon. Sept. 20, 1971 Earnings Yield | P/E Ratio | Dividend Yield |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | CAPITAL GOODS GROUP (184) | 150.89 | −0.1 | 6.89 | 16.99 | 3.71 | 6.81 | 16.81 | 5.71 | 6.86 | 16.88 | 3.78 | 6.92 | 16.90 | 3.71 |
| 8 | Aircraft and Components (3) | 121.21 | +1.5 | 6.79 | 14.74 | 5.18 | 7.08 | 14.84 | 5.33 | 7.13 | 13.98 | 6.43 | 7.01 | 14.96 | 5.32 |
| 3 | Building Materials (29) | 166.69 | +0.5 | 4.75 | 21.15 | 5.86 | 4.78 | 20.85 | 5.25 | 4.78 | 20.96 | 3.25 | 4.78 | 20.90 | 3.35 |
| 4 | Contracting and Construction (20) | 266.68 | +0.1 | 5.25 | 19.15 | 2.51 | 5.18 | 18.31 | 2.88 | 6.17 | 18.55 | 2.28 | 5.17 | 19.36 | 8.28 |
| 6 | Electrls. (ex. Electrn. Rad. & TV) (13) | 288.22 | −0.6 | 6.03 | 19.89 | 2.93 | 6.05 | 18.82 | 8.94 | 6.05 | 19.81 | 2.94 | 5.08 | 19.67 | 8.96 |
| 5 | Engineering (79) | 144.35 | −0.3 | 6.67 | 14.99 | 4.52 | 6.70 | 14.93 | 4.34 | 6.72 | 14.87 | 4.56 | 6.70 | 14.93 | 4.34 |
| 7 | Machine Tools (15) | 54.45 | — | 7.51 | 15.31 | 6.22 | 7.49 | 15.34 | 5.60 | 7.49 | 13.34 | 8.20 | 7.42 | 13.48 | 5.14 |
| 8 | Miscellaneous (25) | 134.65 | −0.2 | 7.51 | 13.58 | 4.28 | 7.51 | 13.31 | 4.30 | 7.48 | 13.37 | 4.28 | 7.46 | 13.41 | 4.35 |
| 9 | CONSUMER GOODS (DURABLE) GROUP (56) | 183.94 | −0.6 | 4.69 | 81.53 | 2.83 | 4.79 | 21.17 | 8.84 | 4.79 | 20.89 | 8.88 | 4.79 | 20.89 | 8.88 |
| 10 | Electronics, Radio and TV (14) | 198.47 | −0.5 | 4.85 | 20.58 | 8.21 | 4.90 | 20.40 | 2.28 | 5.00 | 20.01 | 8.27 | 4.99 | 80.05 | 2.85 |
| 11 | Household Goods (15) | 204.84 | −0.4 | 5.76 | 17.38 | 5.66 | 5.76 | 17.37 | ‡3.84 | 5.77 | 17.34 | 3.85 | 5.79 | 17.28 | 3.86 |
| 12 | Motors and Distributors (27) | 188.87 | −1.1 | 4.15 | 24.08 | 3.48 | 4.18 | 83.91 | 5.50 | 4.88 | 83.70 | 5.54 | 4.22 | 23.68 | 3.54 |
| 13 | CONSUMER GOODS (NON-DURABLE) GROUP (175) | 171.93 | — | 5.26 | 19.11 | 5.77 | 5.31 | 18.83 | 3.81 | 5.33 | 18.77 | 5.88 | 0.34 | 18.75 | 3.83 |
| 14 | Breweries (21) | 204.59 | +0.8 | 4.88 | 20.58 | 4.44 | 4.99 | 80.04 | 4.50 | 5.05 | 18.80 | 4.56 | 5.07 | 18.74 | 4.57 |
| 15 | Wines and Spirits (7) | 181.81 | +0.0 | 8.74 | 17.43 | 3.83 | 6.98 | 15.90 | 3.97 | 5.86 | 15.81 | 3.99 | 6.01 | 16.65 | 4.03 |
| 16 | Entertainment and Catering (15) | 220.05 | +0.4 | 5.68 | 16.10 | 3.58 | 6.62 | 15.11 | 3.68 | 8.81 | 16.14 | 3.61 | 6.63 | 15.30 | 3.47 |
| 17 | Food Manufacturing (24) | 148.06 | −0.2 | 5.39 | 18.67 | 3.67 | 5.39 | 18.55 | 3.67 | 6.41 | 18.47 | 3.68 | 6.41 | 18.60 | 3.68 |
| 18 | Food Retailing (17) | 158.76 | −0.7 | 4.93 | 20.09 | 5.18 | 4.90 | 80.40 | 3.16 | 4.94 | 20.28 | 5.18 | 4.96 | 80.16 | 3.20 |
| 18 | Newspapers and Publishing (15) | 152.16 | −0.4 | 5.70 | 17.54 | 4.62 | 5.78 | 17.30 | 4.69 | 8.88 | 17.18 | 4.79 | 3.89 | 16.98 | 4.77 |
| 20 | Packaging and Paper (16) | 119.89 | −0.7 | 5.47 | 15.46 | 4.35 | 5.46 | 15.49 | 4.34 | 6.38 | 15.67 | 4.29 | 6.33 | 15.80 | 4.26 |
| 21 | Stores (30) | 164.88 | +0.1 | 4.13 | 24.23 | 8.84 | 4.19 | 23.85 | 8.89 | 4.19 | 83.87 | 9.89 | 4.28 | 23.78 | 8.91 |
| 28 | Textiles (21) | 160.87 | −0.6 | 5.48 | 18.84 | 8.01 | 5.49 | 18.82 | 8.01 | 5.48 | 18.84 | 6.01 | 5.52 | 18.11 | 5.04 |
| 83 | Tobacco (3) | 230.15 | −0.8 | 9.49 | 10.54 | 5.74 | 8.64 | 10.48 | 8.77 | 9.64 | 10.37 | 5.83 | 8.55 | 10.47 | 5.78 |
| 24 | Toys and Games (6) | 45.74 | +0.8 | 0.87 | 114.68 | 3.87 | 0.87 | 114.58 | 3.27 | 0.87 | 114.41 | 3.28 | 0.86 | 116.72 | 3.21 |
| | OTHER GROUPS | | | | | | | | | | | | | | |
| 25 | Chemicals (19) | 193.98 | −1.2 | 6.16 | 19.37 | 3.36 | 5.13 | 19.43 | 3.35 | 6.18 | 18.88 | 3.37 | 5.85 | 18.04 | 3.41 |
| 95 | Office Equipment (10) | 187.30 | −0.8 | 3.35 | 98.78 | 1.51 | 5.34 | 89.88 | 1.50 | 3.38 | 30.16 | 1.49 | 3.30 | 50.55 | 1.49 |
| 27 | Shipping (10) | 323.51 | −0.4 | 8.88 | 18.17 | 5.10 | 8.14 | 18.88 | 5.05 | 8.11 | 18.36 | 5.04 | 8.10 | 19.36 | 5.03 |
| 28 | Miscellaneous (unclassified) (44) | 194.68 | −0.1 | 0.58 | 18.13 | 3.54 | 5.58 | 18.13 | 3.57 | 5.56 | 18.00 | 3.60 | 5.57 | 17.94 | 3.61 |
| 29 | INDUSTRIAL GROUP (498 SHARES) | 176.19 | −0.2 | 5.33 | 18.77 | 3.55 | 5.36 | 18.57 | 3.58 | 5.38 | 18.59 | 3.58 | 5.39 | 18.55 | 3.58 |
| 30 | Oil (2) | 535.80 | +0.5 | 6.09 | 16.61 | 3.73 | 6.07 | 16.46 | 3.75 | 6.15 | 18.27 | 3.80 | 6.87 | 15.95 | 3.88 |
| 31 | 500 SHARE INDEX | 189.88 | −0.1 | 5.43 | 18.42 | 3.57 | 5.46 | 18.58 | 3.58 | 5.49 | 18.28 | 3.61 | 5.51 | 18.14 | 3.83 |
| 38 | FINANCIAL GROUP (121) | 178.48 | +0.4 | — | — | 8.69 | — | — | 2.71 | — | — | 8.78 | — | — | 9.73 |
| 33 | Banks (6) | 178.13 | +0.7 | 7.88 | 19.69 | 2.90 | 7.93 | 12.61 | 2.98 | 7.90 | 12.67 | 2.91 | 8.08 | 16.38 | 8.97 |
| 34 | Discount Houses (6) | 183.50 | +1.2 | — | — | 4.91 | — | — | 4.27 | — | — | 4.09 | — | — | 4.31 |
| 35 | Hire Purchase (6) | 292.48 | +0.1 | 4.35 | 82.99 | 8.69 | 4.39 | 82.78 | 8.61 | 4.40 | 89.71 | 2.68 | 4.40 | 22.71 | 8.62 |
| 36 | Insurance (Life) (9) | 158.51 | +0.2 | — | — | 8.65 | — | — | 8.57 | — | — | 2.56 | — | — | 2.54 |
| 37 | Insurance (Composite) (9) | 140.57 | −0.4 | — | — | 3.07 | — | — | 3.09 | — | — | 5.19 | — | — | 3.10 |
| 38 | Insurance (Brokers) (11) | 186.86 | +0.6 | 4.73 | 21.14 | 8.45 | 4.79 | 20.88 | 2.48 | 4.81 | 20.79 | 2.49 | 4.82 | 20.78 | 8.49 |
| 39 | Investment Trusts (20) | 198.88 | +0.3 | 2.88 | 34.94 | 2.88 | 2.86 | 35.00 | 2.66 | 2.85 | 35.09 | 2.65 | 2.84 | 35.22 | 2.64 |
| 40 | Merchant Banks, Issuing Houses (14) | 187.24 | +1.8 | — | — | 2.07 | — | — | 8.11 | — | — | 8.12 | — | — | 2.15 |
| 41 | Property (31) | 226.40 | +0.8 | 2.70 | 36.99 | 8.12 | 2.73 | 36.65 | 2.81 | 2.74 | 36.51 | 8.81 | 2.69 | 37.20 | 2.23 |
| 42 | Miscellaneous (9) | 154.86 | +0.6 | 6.50 | 18.17 | 4.06 | 5.55 | 18.00 | 4.06 | 6.62 | 17.79 | 4.10 | 5.61 | 17.83 | 4.10 |
| 43 | ALL-SHARE INDEX (621 SHARES) | 186.94 | — | — | — | 3.56 | — | — | 5.38 | — | — | 3.40 | — | — | 3.41 |
| | COMMODITY SHARE GROUPS (*Not included in the 500 or All-Share indices*) | | | | | | | | | | | | | | |
| 44 | Rubbers (10) | 231.10 | −0.5 | 8.86 | 10.14 | 7.66 | 9.80 | 10.20 | 7.61 | 9.70 | 10.51 | 7.53 | 09.80 | 10.60 | 7.61 |
| 45 | Teas (10) | 96.09 | +0.1 | 16.96 | 5.90 | 9.36 | 16.83 | 5.81 | 9.30 | 17.03 | 5.87 | 8.36 | 16.82 | 5.91 | 9.30 |
| 46 | Coppers (4) | 283.39 | −8.4 | 53.64 | 1.60 | 17.44 | 56.97 | 1.76 | 16.86 | 66.43 | 1.77 | 15.71 | 66.43 | 1.77 | 15.71 |
| 47 | Mining Finance (11) | 89.06 | −2.1 | 6.36 | 16.73 | 5.79 | 6.24 | 16.04 | 3.85 | 6.26 | 15.98 | 5.66 | 06.14 | 16.28 | 3.60 |
| 48 | Tins (8) | 70.60 | +0.1 | 11.24 | 8.89 | 8.70 | 11.65 | 8.88 | 8.70 | 11.24 | 8.80 | 8.70 | 11.24 | 8.90 | 8.70 |

| | FIXED INTEREST | Friday, Sept. 24 Index No. | Yield % | Thurs. Sept. 23 | Wed. Sept. 22 | Tues. Sept. 21 | Mon. Sept. 20 | Fri. Sept. 17 | Thurs. Sept. 16 | Year ago (approx.) | 1971 High | 1971 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Consols 2½% yield | — | 8.60 | 8.67 | 8.77 | 8.82 | 8.82 | 8.77 | 8.73 | 9.32 | — | — | — | — |
| 8 | 20-yr. Govt. Stocks (6) | 84.99 | ‡7.58 | 84.28 | 83.66 | 83.27 | 83.07 | 83.29 | 83.27 | 74.60 | 84.99 (24/9) | 70.60 (4/1) | 115.42 (11/9/63) | 68.43 (16/6/70) |
| 3 | 20-yr. Red. Debentures & Loans (15) | 77.81 | ‡8.46 | 77.46 | 76.69 | 77.07 | 77.81 | 78.68 | 76.54 | 70.56 | 77.81 (24/9) | 68.48 (4/1) | 113.43 (23/10/63) | 66.59 (16/6/70) |
| 4 | Investment Trusts Prefs. (15) | 73.83 | 10.00 | 73.63 | 78.84 | 72.80 | 72.80 | 72.84 | 72.69 | 70.86 | 73.83 (23/9) | 66.65 (1/1) | 114.41 (13/8/63) | 66.23 (11/1/71) |
| 5 | Commercial and Industl. Prefs. (20) | 78.10 | 9.75 | 78.46 | 77.95 | 77.94 | 77.94 | 77.95 | 77.78 | 72.80 | 79.10 (24/9) | 89.02 (15/1) | 114.41 (7/10/63) | 69.09 (15/1/71) |

| Section or Group | Base Date | Base Value |
|---|---|---|
| Food Manufacturing | 29/12/67 | 114.13 |
| Food Retailing | 29/12/67 | 114.13 |
| Insurance Brokers | 29/12/67 | 96.67 |
| Mining Finance | 29/12/67 | 100.00 |
| Wines and Spirits | 16/1/70 | 144.76 |
| Toys and Games | 16/1/70 | 135.72 |
| Office Equipment | 16/1/70 | 162.74 |
| Industrial Group | 31/12/70 | 128.20 |
| Miscellaneous Financial | 31/12/70 | 128.06 |
| All Other | 10/4/62 | 100.00 |

‡ Redemption yield.

F.T.-Actuaries indices are calculated by Extel-Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.

A current list of constituents of the F.T.-Actuaries Share Indices can be obtained from the Publisher, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post inland 16p. Commonwealth 16p. Foreign 19p.

# "Boards of directors" to manage State schools

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

"BOARDS of directors" should be set up by law to manage the State schools, says a Bow Group pamphlet published to-day. Each Board, called the school council, would delegate the day-to-day running of its school to the "managing director"—the headteacher—but would retain power to sack the head.

The management of State schooling along the lines of big commercial companies is one of several suggestions made by Mr. Reginald Watts, of the Bow Group, to increase the involvement of parents—particularly working-class parents—in their children's education.

"There exists in this country a vast reservoir of undeveloped talent," he declares. "It is made up of boys and girls, generally but not exclusively from the working class, who because of a lack of encouragement at home never reach their full potential.

"It is not enough to leave this crucial parent-school relationship to chance. A framework for its development must be set by legislation, a set of standards for voluntary activity laid down, and a readiness shown by local and national government to accord this problem the importance it deserves."

## "Parent company"

Mr. Watts suggests that every local education authority would be a "parent company." Each school in the authority's domain would be a "subsidiary" with its own school council.

The authority would "have representation up to perhaps 51 per cent." on every school council. The other council members would be divided equally between members of the parent-teacher association, the teachers, and co-opted members. In secondary schools, the old pupils' association would also be represented. The council's responsibilities would be laid down by law.

All schools would be required to form a parent-teacher association. Each local education authority would appoint an adviser to develop home-school relations in all the authority's primary schools. In big schools a senior teacher would be given special responsibility for home-school relations.

The *home-school relations* job should not be merged with that of the careers teacher. "Careers advice is already inadequate in most schools and it would be wrong to risk a further deterioration."

The author seems convinced that major commercial companies have much to teach the education system when it comes to managing. "Every effort is made by enlightened firms to improve communication between staff and management. In many schools one wonders if the word is even part of the vocabulary."

Even so, commentators on industrial management would point out that companies with tidy, rational "organisation charts" of the type Mr. Watts recommends for schools, are not always the most successful companies.

*Parents in School, by Reginald Watts; Bow Group Publications (240 High Holborn, WC), 20p. plus 5p for postage.*

## BILL FOR BEAUTY TOPS £100M.

More than £100m. is spent annually on cosmetics and beauty in Britain, says writer Rosemary Simon in her book The Price of Beauty, published to-day (Longman, £1 and £2.25). Another £100m. is spent annually by both men and women on hair preparations and hairdressing.

The total male beauty and toiletries market in Britain is estimated at £16m. An estimated 30 per cent. of men use a deodorant or anti-perspirant, as against 72 per cent. of women. After-shave preparations have become more popular.

# Foreign Exchanges—September 20-22

LONDON MARKET RATES

| | September 20 Day's Spread | Close | September 21 Day's Spread | Close | September 22 Day's Spread | Close |
|---|---|---|---|---|---|---|
| New York | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Montreal | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Amsterdam | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Brussels † | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Copenhagen | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Frankfurt | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Lisbon ✤ | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Madrid | 170.25-171.50 | 170.75-171.25 | 170.25-171.50 | 170.75-171.25 | 170.25-171.50 | 170.75-171.25 |
| Milan | 1,513-1,518 | 1,515¼-1,516¼ | 1,513-1,518 | 1,514½-1,515½ | 1,513-1,518 | 1,514½-1,515½ |
| Oslo | 16.98-17.05 | 16.99½-.99½ | 16.98-17.05 | 16.99½-17.00½ | 16.99-17.04 | 17.01-17.02 |
| Paris ‡ | 13.63-.08 | 13.66-.67 | 13.65-.70 | 13.67-.68 | 13.64-.70 | 13.66½-.67½ |
| Stockholm | 12.50-.54 | 12.51½-.52½ | 12.49-.53 | 12.50½-.51½ | 12.50-.54 | 12.51½-.52½ |
| Tokyo | 820-845 | 828-838 | 820-845 | 827-837 | 820-845 | 827-837 |
| Vienna | 59.75-61.00 | 60.00-60.50 | 59.50-60.75 | 59.75-60.00 | 59.50-60.75 | 59.55-60.10 |
| Zurich | 9.81-.88 | 9.82½-.83½ | 9.80-.85 | 9.82-.83 | 9.80-.85 | 9.82-.83 |

† Convertible account. ✤ Transactions may have been possible at different rates through Bank of Portugal. ‡ Commercial account.

# Company profits up 10%

FINANCIAL TIMES REPORTER

COMPANY PROFITS rose by 10 per cent. between the second half of 1970 and the first half of this year, according to preliminary estimates of National Income and Expenditure released by the Central Statistical Office last week.

The country's gross domestic product fell by 1 per cent. during the same period. There was a 1½ per cent. increase in output between the first and second quarters but, once the distortions of the postal and motor industry strikes are allowed for, there is no obvious sign of an upturn in the economy during the second quarter.

## Investment down

At current prices gross domestic product was 3½ per cent. higher in January-June than in the previous six months. But between the same periods the price index for total home costs (based on expenditure estimates) went up by 5 per cent.

Consumers' expenditure was little changed, but exports of goods and services rose by 2½ per cent., and total investment fell by 2 per cent. (7 per cent. in the case of manufacturing alone).

Income from employment was 4 per cent. higher in January-June than in the previous six months, against an increase of 7 per cent. between the first and second halves of 1970. But, after being generally flat in 1969 and most of 1970, gross trading profits of companies are estimated to have gone up from £2,538m. in July-December last year to £2,799m. in January-June. (All figures are seasonally adjusted.)

## ALL NIPPON BUYS 11 BOEINGS

All Nippon Airways of Japan is to buy 11 Boeing jet airliners for delivery beginning early in 1972. The order includes eight long-bodied 727 Series 200 aircraft and three 737s.

Two of the 727s will be the new high gross weight aircraft with extended range and higher payload capabilities. All Nippon will be the first airline to put the new high-performance 727s into service. The order brings the number of Boeing airliners ordered by All Nippon to 40.

# New 'highs' and 'lows' for 1971

The numbers of 1971 "Highs" and "Lows" attained on Monday, Tuesday and Wednesday and not published because of the newspaper dispute are listed below:—

| HIGHS | Sept. 22 | 21 | 20 |
|---|---|---|---|
| BRITISH FUNDS | 29 | 13 | — |
| CORPORATION LOANS | 3 | — | — |
| INTERNATIONAL BANK | — | 2 | — |
| COMMONWEALTH AND AFRICAN LOANS | 6 | 5 | — |
| PUBLIC BOARDS & OTHER LOANS | 3 | 1 | — |
| AMERICANS | — | — | 1 |
| CANADIANS | 3 | — | — |
| BANKS | 6 | 3 | 2 |
| BREWERIES | 1 | — | 1 |
| BUILDINGS | 13 | 12 | 14 |
| CHEMICALS | 5 | 3 | 2 |
| CINEMAS | 4 | 2 | 2 |
| DRAPERY & STORES | 11 | 11 | 13 |
| ELECTRICALS | 9 | 7 | 7 |
| ENGINEERING | 9 | 8 | 6 |
| FOODS | 15 | 12 | 12 |
| HOTELS | 2 | 1 | 3 |
| INDUSTRIALS | 36 | 40 | 41 |
| INSURANCE | 3 | 5 | 4 |
| MACHINE TOOLS | — | 4 | 1 |
| MOTORS | 7 | — | 6 |
| NEWSPAPERS | 2 | 3 | 1 |
| PAPER & PRINTING | 4 | 6 | 5 |
| PROPERTY | 29 | 16 | 17 |
| SHIPPING | 1 | — | 2 |
| SHOES | 1 | 1 | 2 |
| TEXTILES | 9 | 12 | 4 |
| TRUSTS | 21 | 10 | 16 |
| UTILITIES | — | 1 | — |
| OILS | 3 | 1 | 1 |
| RUBBERS | 1 | 1 | 3 |
| TEAS | 4 | 4 | 2 |
| MINES | — | — | 1 |
| Totals | 239 | 191 | 169 |

| LOWS | Sept. 22 | 21 | 20 |
|---|---|---|---|
| FOREIGN BONDS | — | 1 | 1 |
| CANADIANS | — | 1 | 1 |
| ELECTRICALS | — | 1 | 1 |
| ENGINEERING | — | 2 | 2 |
| HOTELS | — | 1 | — |
| SOUTH AFRICANS | — | 1 | — |
| STEELS | 1 | — | 1 |
| TRUSTS | — | 1 | — |
| OILS | — | 1 | — |
| MINES | 12 | 13 | 10 |
| Totals | 13 | 22 | 16 |

APPOINTMENTS

# Baker Perkins Holdings chief executive

From January 1 the European regional organisation of BAKER PERKINS HOLDINGS is to be merged with the two major operating companies, Baker Perkins Ltd. and Rose Forgrove. The U.K. manufacturing companies will assume direct responsibility for marketing their own products throughout Europe.

Mr. J. F. M. Braithwaite, a vice chairman, will be appointed managing director responsible for all group operations. The other vice chairman, Mr. R. H. Wilkins, will be director responsible for corporate development.

Mr. J. F. M. Braithwaite

★

Captain J. H. F. Eberle has been promoted to Rear-Admiral and will become director general, fleet services, in succession to Rear-Admiral P. White, in January.

Rear-Admiral White has been appointed Port Admiral, Rosyth, in succession to Rear-Admiral W. T. C. Ridley, from February.

★

Mr. J. A. Roche has resigned as a director of PARINGA MINING AND EXPLORATION COMPANY.

★

Mr. J. C. Clark, managing director of Nylonic Engineering Company, is to join the small firms advisory panel of the RUBBER AND PLASTICS PROCESSING INDUSTRY TRAINING BOARD.

★

Mr. W. H. Laidler has resigned as a director and secretary of GEORGE SPENCER. Mr. C. J. Moy succeeds him as secretary.

★

Mr. John E. Johnson has been appointed a regional adviser to the Board of SAMUEL MONTAGU AND CO. He will be based in Sheffield. Mr. Johnson was regional director for the Midland Bank in Sheffield until his retirement earlier this year.

★

Mr. V. R. Baylis has been appointed managing director of SANCELLA, the new U.K. subsidiary of Svenska Cellulosa Aktiebolaget, the Swedish timber and paper group.

★

Mr. D. M. Pretlove has been appointed a director of CREDIT FACTORING and its subsidiary, Credit Factoring International, the National Westminster Bank Group factoring companies.

★

Mr. A. Jack Knight has been appointed marketing director of SWISH PRODUCTS (Duport).

★

Mr. W. C. Harris, general manager and a director of the Phoenix Assurance Company, has been elected president of the CHARTERED INSURANCE INSTITUTE for 1971-72.

Mr. R. G. Glenn, secretary and investment manager, and a director of the National Mutual Life Assurance Society, becomes deputy president.

★

Mr. Roy J. Collins has been appointed to the Board of R. P. SCHERER as sales director.

★

Mr. A. G. Fergusson, manager of the metals department, has been appointed a director of the BRITISH METAL CORPORATION.

★

Mr. David R. Stevens has been appointed a director of the MUNICIPAL TRUST COMPANY. Mr. M. Ellison Rich has resigned as a director, because of his increasing commitments in connection with Consolidated Gold Fields.

★

Mr. A. Poot has been appointed a director of ADA (HALIFAX). He is general manager of the company.

★

Mr. H. T. Frost, who is to retire as secretary of the Commercial Union Assurance Company on September 30, has resigned from the Board of TRAFALGAR HOUSE INVESTMENTS.

★

Mr. J. D. H. Blackburn is leaving STAPLEGREEN INSURANCE HOLDINGS on September 30 to take up another appointment. Mr. T. L. F. Royle has been appointed managing director of Hogg Robinson and Gardner Mountain (U.K.) from October 1.

★

M. Jacques Viguié has been appointed to the Board of HERON HOLDINGS.

M. Viguié has been managing director of the Banque de Paris et des Pays-Bas in London since 1966.

★

Mr. R. P. H. Corden has been appointed a director of PORTFOLIO MANAGEMENT.

★

Mr. David Foster has been appointed managing director of GRAFTON HOUSE, a subsidiary of the Combined English Stores Group.

★

Mr. C. J. Sadgrove has been elected a member of the executive committee of the NATIONAL CONFERENCE OF FRIENDLY SOCIETIES.

★

Mr. John Phillipps has been appointed managing director of BENTLEY ENGINEERING GROUP EXPORTS, part of the Sears Holdings group. Mr. Henry Adam has been made a director of the company. Both will form part of the team led by Mr. Christopher Wegerif, the newly appointed group marketing director.

★

Mr. Peter Williams has been appointed to the new post of sales director of PURNELL AND SONS.

★

The HOUSE - BUILDERS FEDERATION has appointed Mr. Michael Latham director and chief executive from December 14. He will succeed Mr. Gordon Rowlands, who is retiring from the post to devote more time to his duties as deputy director-general of the National Federation of Building Trades Employers.

★

Mr. S. L. Bragg has become vice-chancellor of BRUNEL UNIVERSITY following the retirement of Dr. James Topping.

★

Mr. E. R. Walton and Mr. E. Richmond have been appointed directors of GWB MELTING FURNACES (Parkinson Cowan).

★

Mr. John H. Stanley has been appointed general manager in charge of the overseas department of the BANK OF IRELAND GROUP. He was formerly group foreign manager.

★

Mr. J. M. Osborn, at present financial controller of Brooke Bond Liebig, has been appointed finance director of BROOKE BOND OXO from October 18. He takes over from Mr. D. M. Taylor, who is leaving to take up an appointment outside the group.

Mr. Osborn will be succeeded as financial controller of Brooke Bond Liebig by Mr. H. F. Somerville, who is at present deputy financial controller.

★

Mr. Allan N. Guest has been appointed an executive local director of the Newcastle upon Tyne district of BARCLAYS BANK from October 4.

Mr. Melville C. Bolton, a local director of the London Eastern district, has been appointed a local director of the Bank's London Northern district from the same date.

★

Mr. H. P. Sullivan is joining the Board of UNITED MERCHANTS AND MANUFACTURERS (U.K.), as chief executive of the domestic textile operations. He moves from AIC management consultants.

★

Mr. David Pearson has been appointed managing director of COMPUTAPRINT, part of the information group of IPC Business Press. He was previously general manager of the company.

★

Mr. J. Luck, at present manager of the resources division of WILLIAMS AND GLYN'S BANK, has been appointed treasurer of the Bank from October 1.

★

Mr. D. R. Gilbert and Mr. J. A. Halley have been appointed to the Board of HIGH DUTY ALLOYS, a Hawker Siddeley company. Mr. Gilbert is secretary and Mr. Halley general manager of the company's extrusion division, Distington, Cumberland.

★

Mr. G. H. C. Needler has been appointed a director of HOVERINGHAM GRAVELS.

★

Mr. H. R. Mitchell has been appointed an additional director of EX-LANDS.

★

Mr. R. J. Shove has been appointed managing director of LANDMASTER.

★

Mr. Wylie S. Robson, a vice chairman of Kodak and general manager of the international photographic division, has been elected a director of the EASTMAN KODAK COMPANY. He will complete the term of Mr. Austin J. Gould who resigned from the Board at the last quarterly meeting.

★

Mr. Anthony E. Gretton and Mr. Michael R. Amos have been appointed to the Board of MILLS TRUST AND INVESTMENT and Mr. Philip Mills continues as a director.

★

Mr. G. S. H. Munthe has been appointed a director of MERVYN YOUNG AND CO.

★

Mr. A. N. Christmas has been appointed director, Quality Assurance (Materials), Woolwich, in succession to Mr. H. Hollis who has retired from public service.

★

Mr. A. J. McCarthy has been appointed managing director of NATIONAL ADHESIVES AND RESINS. He succeeds Mr. L. J. Horan, who is returning to the U.S. parent company, National Starch and Chemical Corporation, as marketing manager, adhesives division.

★

Mr. John Brass, NATIONAL COAL BOARD member with special responsibility for Yorkshire and the North West, is also to be responsible for the Board's Northumberland, North Durham and South Durham Areas. This follows the retirement of Mr. William Crooks, who has been regional chairman for the Scottish coalfields and the North East since October, 1969.

Mr. Crooks will continue to act for the time being as regional chairman in Scotland. He also remains chairman of Associated Heat Services (Northern), and of the Northern Brick Company.

★

Mr. A. B. Murray, deputy manager of the Lombard Street office of the ROYAL BANK OF SCOTLAND has been appointed joint manager with Mr. J. H. Riddell from October 1.

★

Mr. D. H. Pinsent has been appointed a director of EASTERN PRODUCE (HOLDINGS).

★

Mr. L. S. F. Charles, assistant managing director of the British Aluminium Company has been appointed a director of ALUMINIUM CORPORATION.

★

Mr. R. W. Marshall, managing director of Derek Crouch Construction Company, has been appointed to the Board of the parent company, DEREK CROUCH (CONTRACTORS).

★

Mr. G. W. Saunders has resigned from the Board of MANN EGERTON AND CO.

★

Mr. Peter Muldowney has been appointed to the Board of COX OF WATFORD FURNITURE (Tube Investments).

★

Mr. T. W. Borges, who became a director of SMITH HOLDINGS (WHITWORTH) early this year, has been appointed chairman. He succeeds Mr. J. Walsh who has resigned from the Board on medical advice but will continue in a specialist executive capacity in one of its operating subsidiaries.

Mr. F. Leach has also resigned from the Board, but will continue with the group as a consultant.

The changes are from October 1.

★

Mr. Frederick Upshall will be appointed national president of the RETAIL CREDIT FEDERATION at the annual conference at Llandudno on September 30, in succession to Mr. Michael Liley.

★

Sir John Greig Dunbar, a non-executive director of UNITED BISCUITS (HOLDINGS), has retired from the Board.

★

Dr. P. W. Dill-Russell, medical adviser of the OVERSEAS DEVELOPMENT ADMINISTRATION, has been appointed to succeed Dr. J. M. Liston as chief medical adviser on the latter's retirement on November 22.

★

Mr. D. C. Masterson has been appointed marketing director of WEST'S (MANCHESTER), a WGI company.

★

Mr. H. S. Fry has been appointed to the Board of WOLSTENHOLME BRONZE POWDERS. He is managing director of Hertfordshire Bronze Powder Works and S. Fry and Co., which were recently acquired by Wolstenholme Bronze Powders.

★

Mr. R. D. Bergesen, managing director of the European division of BRITISH LEYLAND INTERNATIONAL, has resigned for family and personal reasons. Pending the appointment of a replacement for Mr. Bergesen, Mr. Allen Sheppard, director BLI group staff, will be responsible for supervision of European division, BLI, and BL Europe in Switzerland.

In addition to his current responsibilities Mr. A. T. Webster (managing director, overseas division) will take over responsibility for Eastern Europe.

★

Mr. E. D. Collas, a conseiller of the Guernsey States—the Island's Parliament—has been appointed chairman of CHANNEL TELEVISION. He succeeds Senator Wilfred Krichefski who resigned last April.

★

Mr. David Traill will relinquish his directorship of BARCLAYS BANK on his retirement as an executive local director of the Nottingham District on September 30.

★

Mr. Alan R. Rumfitt has been appointed to the Board of N. G. BAILEY AND CO.

★

Mr. Herbert Scholz has been appointed managing director of HENRY BEAKBANE (FORTOX). He succeeds Mr. H. R. Beakbane, who is spending the next 12 months as a member of a management advisory team in Kenya and will become chairman on his return.

# INTERNATIONAL COMPANY NEWS + EURO MARKETS

## Euro $ bond sector tested

BY WILLIAM LOW

DESPITE the continuing currency crisis, the Eurodollar bond market remains remarkably resilient. The first straight-debt and convertible dollar-denominated loans to be floated since President Nixon's measures last month are both due to have final terms fixed later to-day or to-morrow.

The straight is a $25m., 15-year debenture issue by ISEC, the international subsidiary of ITT. There appears to have been moderate to strong investor interest in the offering and it is highly unlikely that Kuhn Loeb, the lead manager, will change the indicated coupon figure of 9 per cent. Issue price probably will be at a modest discount.

Market reaction to the $20m. convertible offering by Cummins has been less favourable. The First Boston Corporation, which heads the underwriting consortium, initially indicated that terms would include a coupon of 6¼ per cent. and a conversion premium of about 12 per cent. Several professional operators, however, consider that the interest rate should be raised to 6½ per cent. and the conversion premium be reduced to 10 per cent. or less.

Both issues may have suffered as a result of speculation against the dollar during much of last week. Many investors feel that they should delay buying dollar bonds until the monetary situation has been resolved. Against this, there is a considerable volume of Eurodollars seeking a high-yielding home.

One beneficiary of the renewed pressure against the dollar has been the market for European Unit of Account (EUA) bonds. Widespread gains of between one-half and one percentage point were recorded in EUA issues last Friday. The next EUA loan will come to the market some time next month.

## EURO $ BOND BRIEFS

● DESPITE the talks held between the two rival clearing systems—CEDEL and Euro-clear—the fight for members continues unabated. Euro-clear still remains ahead of its Luxembourg-based competitor by a wide margin as regards sheer numbers, but CEDEL has managed in the last week or so to attract some British banks, including Hambros.

● INTERNATIONAL PACIFIC SECURITIES, Hong Kong based off-shore fund with majority of its investments in Japan, significantly out-performed Tokyo Stock Exchange Index during year ended June 30 last. Net asset value per share at June 30 last was HK$8.81, showing rise of 45.1 per cent. over adjusted figure of HK$6.07 at end of previous year. IPSC is managed by Jardine Fleming and Co.

● DUNLOP AUSTRALIA group net profit for year ended June 30 rose to $A13.05m. from $A12.33m. Melbourne Stock Exchange drawn attention to auditor's qualification that value of stocks on hand as shown in consolidated balance sheet is overstated to extent of inter-company profits on stock transferred from one group company to another, and still on hand at June 30.

● MYER EMPORIUM said doubling of its Ordinary capital to $A60.86m. through proposed one-for-one bonus share issue will require adjustment to rate of dividend paid on higher capital. However, Australian store group said it anticipates amount to be paid to shareholders in dividends will not be less than amount proposed for year just ended.

## Moet Hennessy profits rise

PARIS, Sept. 26.

MOET HENNESSY, the company set up under the chairmanship of Comte Robert-Jean de Vogue, who master-minded Moet et Chandon's takeover of Hennessy Cognac and Parfums Christian Dior to form the new holding company, has published its first consolidated accounts.

Turnover increased to Frs.373.2m. in 1970 from Frs.307.8m. in 1969, while profits are up 14.7 per cent. to Frs.26.11m. and cash flow rose to Frs.39.4m. from Frs.37.2m.

The increase in turnover is due to an 18.7 per cent. rise in turnover from Champagne production and also to a dramatic rise of 19.6 per cent. in turnover for Parfums Christian Dior which, in spite of its prestige, was rapidly losing its share of the luxury perfume market when Moet took it over in February, 1970. At the time, Comte de Vogue said that he intended to inject new funds into the company and see it climb back into a dominant position abroad. At the Annual General Meeting this time he was able to tell shareholders that Societe Dior of America was also breaking even once again.

## NORWAY TIMBER MERGER TALKS

OSLO, Sept. 26.

A/S UNION and A/S Follum Fabrikker, two of Norway's largest wood product concerns, may merge. The merger negotiations have been in progress for some time, and the advisory Board of Follum is meeting to-day to decide whether these should continue. Mr. Jens Lange Lyche, Follum's managing director, said it was still too early to say whether the merger would take place. Together, the two concerns have a turnover of some Kr500m. annually. Both have most of their plants in the Drammen River valley in east Norway, and both have during recent years taken over a number of small wood products companies in the area.

● AUTUMN seems to be a time of change in the Eurobond market, especially as regards people. Among the half-dozen-or-so job moves taking place this month or next is the departure of Geoffrey Banner from Western American Bank (Europe). Banner will join the Deltec organisation, where his main responsibilities will lie in the Eurobond sector. This looks as though Deltec, which has had its problems, is planning to build up again its Eurobond activities, and I would not be surprised if further appointments were made in coming months.

● SOME members of the Association of International Bond Dealers (AIBD) are worried about the venue of the 1972 annual meeting. I understand that two candidate cities—Rome and Vienna—are now out of the running. An influential body of opinion feels that Amsterdam would make an ideal meeting place, while a vociferous minority favours Luxembourg.

## MADRID STOCK EXCHANGE PRICES

Percentages of par value (Ptas.500)

| Name of stock | Week's High | Week's Low | Close Sept. 24 | Change on week | Div. % | Net yield % |
|---|---|---|---|---|---|---|
| Altos Hornos de Vizcaya | 94 | 92.5 | 93 | −12.5 | 5.00 | 5.37 |
| Banco Central | 980 | 965 | 965 | −18 | 11.97 | 1.24 |
| Banco de Bilbao | 874 | 865 | 865 | − 9 | 13.93 | 1.59 |
| Banco de Vizcaya | 802 | 790 | 790 | −12 | 14.22 | 1.80 |
| Banco Espanol Credito* | 739 | 725 | 725 | −14 | 11.33 | 1.56 |
| Banco Exterior Espana | 378 | 374 | 374 | − 5 | 9.95 | 2.66 |
| Banco Hispano Americano | 762 | 750 | 750 | −14 | 12.01 | 1.60 |
| Auxiliar Ferrocariles | 118 | 116 | 118 | + 1 | 7.00 | 5.93 |
| Cia Ind. Agricolas | 282 | 276 | 276 | − 9 | 8.50 | 3.07 |
| Cia Esp. Petroleos | 368 | 361 | 362 | − 6 | 10.20 | 2.81 |
| Cia Insular Nitrogeno† | 128 | 126 | 126 | − 2 | 6.80 | 5.39 |
| Cia Sevillana Electricidad | 227 | 225.5 | 227 | + 1 | 9.50 | 4.18 |
| Cia Telefonica N. Esp. | 292.5 | 290.5 | 292.5 | − 1 | 8.07 | 2.76 |
| Dragados y Construcciones | 575 | 565 | 566 | − 9 | 8.50 | 1.50 |
| Ebro Cia Azu. Alcoholes | 684 | 677 | 677 | −10 | 13.60 | 2.00 |
| Espanola Zinc | 118 | 118 | 118 | − 2 | 5.10 | 4.32 |
| Fuerzas Elec. Cataluna† | 227 | 225 | 226 | − 3 | 10.00 | 4.42 |
| Galerias Preciados | 315 | 315 | 315 | — | 11.47 | 3.64 |
| Hidroelectrica Espanola | 232.25 | 229 | 232.25 | −0.25 | 10.00 | 4.30 |
| Iberduero | 278 | 276 | 278 | − 2 | 10.00 | 3.59 |
| Union y Fenix Espanol | 680 | 670 | 670 | −10 | 12.00 | 1.79 |
| Min Sid Ponferrada‡ | 170 | 170 | 170 | − 6 | 6.66 | 3.92 |
| SA Cros | 184 | 175 | 175 | −10 | 5.10 | 2.91 |
| SA El Aguila | 289.5 | 287.5 | 288.75 | − 3.75 | 9.35 | 3.24 |
| SE Auto. Turismo Seat† | 440 | 432 | 432 | −16 | 15.00 | 3.47 |
| Astilleros Espanoles† | 72.5 | 72 | 72 | — | 4.25 | 5.90 |
| S. Met Duro Felguera | 73 | 71 | 72 | — | 5.00 | 6.94 |
| Sniace | 150 | 149 | 150 | − 2 | 8.00 | 5.33 |
| Union Expl. Rio Tinto | 262 | 258 | 258 | − 6 | 10.20 | 3.95 |
| Simago† | — | — | 300 | — | — | — |
| Banco de Santander | 839 | 822 | 822 | −19 | 10.78 | 1.31 |

Par values: Ptas.500 except *Ptas.250, ‡Ptas.150, †Ptas.1,000.
Source: Banco Central Madrid.

## AUSTRALIAN WEEKLY LIST

| Australian $ | Sept. 24 | Sept. 17 | Australian | Sept. 24 | Sept. 17 |
|---|---|---|---|---|---|
| Advertiser Newsp'p'r | 1.63-1.64 | 1.50-1.64 | Kiwi Int. | 1.52-1.23 | 1.60-1.70 |
| Ansett Transport | 0.65-0.66 | 0.65-0.27 | Lend Lease | 3.11-5.18 | 3.02-3.11 |
| Assd. Securities | 1.82-1.83 | 1.88-1.82 | M.L.C. | †5.80 | 5.80-6.00 |
| Aust. Guarantee | 1.90-1.93 | †1.90 | Mauring Bros. &T | 1.15-1.17 | 1.16-1.18 |
| Aust. & Kandos C'm't | 0.96-0.97 | 0.96-0.27 | Mayne Nickless | 1.50-1.55 | †150 |
| Aust. Paper Mnfrs. | 1.70-1.72 | 1.70-1.78 | Nylex Corpn. | 0.75-0.80 | 0.79-0.90 |
| Boral | 1.62-1.70 | 1.60-1.63 | Olympic Cons. | 0.77-0.72 | 0.82-0.84 |
| Bramble Inds. | 1.26-2.00 | 1.98-2.03 | Overseas Corp. | 1.52-1.72 | 1.60-1.65 |
| Burns Philp | 3.05-3.02 | 3.00-3.10 | Petersville | 0.23-0.23 | †0.22 |
| Carlton United Brews | 3.72-3.75 | 3.75-3.78 | Queensland Cement | 4.30-4.33 | 4.25-4.30 |
| Carpenter (W.R.) | 1.94-1.96 | 2.00-2.02 | Queensland Insnce | 2.90-3.00 | — |
| Castlemaine Perkins | 7.25-7.90 | 2.00-2.03 | Reels Inds. | 1.80-1.25 | 1.26-1.35 |
| Coal & Allied | 0.82-0.20 | 1.05-1.08 | Swan Brewery | 2.15-2.16 | 2.18-2.60 |
| Commercial Bank | 2.27-2.30 | 2.27-2.30 | Television | †3.00 | 3.00-3.10 |
| Commercial Union | 2.10-2.13 | 2.00-2.10 | Thiess | 2.90-3.00 | 6.90-3.10 |
| Commonw'lth Mining | ‡2.60 | — | Thomas Nat Trans. | 1.70-1.73 | 1.22-1.25 |
| Grace Bros | 1.25-1.90 | 1.90-1.96 | Tooheys | 1.24-2.00 | †1.87 |
| Hardie Asbestos | 3.90-4.00 | 3.22-4.00 | Travelodge | 0.68-0.70 | 0.65-0.70 |
| Herald & Weekly | 3.55-3.68 | 3.25-3.66 | Woodside | 0.96-1.00 | †110 |
| Humes | 1.20-1.22 | 1.80-1.63 | | | |

† Buyer. ‡ Seller.

## TEL AVIV STOCK EXCHANGE

Source: Bank Leumi le-Israel, Tel Aviv.

## CANADIAN WEEKLY LIST

## SINGAPORE

## HONG KONG

## AUSTRALIA

## Threadtex sets up U.K. shirt fabric company

By John Trafford

THREADTEX, the U.S. company which designs and supplies high fashion shirting fabrics, has set up a British subsidiary under the name Threadtex of London and hopes to see shirts made from its fabrics in the shops within the next three months.

The American company's president, Mr. Bernard Richman, says the high quality, high-priced fabrics will generally be used in shirts retailing at £5 or more. At present some 15-20 per cent. of the market is believed to fall into this top-quality sector.

The British company, working from designs made in the New York office, will commission the spinning, weaving and finishing needed to make the fabrics in plain and Jacquard patterned fabrics.

# Indices

## NEW YORK

### DOW JONES AVERAGES

| Close | Home Bonds | Transport † | Indus. * | Util. Φ | Trading volume† 000's |
|---|---|---|---|---|---|
| Sept. 24 | 70.95 | 237.01 | 889.31 | 109.50 | 13,460 |
| 23 | 70.09 | 238.71 | 891.23 | 109.69 | 13,250 |
| 22 | 70.99 | 239.91 | 893.56 | 109.89 | 14,250 |
| 21 | 71.02 | 241.12 | 903.40 | 110.78 | 10,640 |
| 20 | 71.28 | 241.65 | 905.15 | 110.94 | 2,540 |
| 17 | 71.23 | 242.82 | 908.22 | 111.32 | 11,020 |
| 16 | 71.21 | 241.58 | 903.11 | 111.00 | 11,060 |
| 15 | 71.27 | 241.92 | 904.86 | 112.22 | 11,410 |
| 14 | 71.44 | 241.88 | 901.65 | 111.66 | 10,000 |
| 1971 High | 71.98 (6/4) | 248.33 (7/9) | 950.82 (28/4) | 128.39 (19/1) | — |
| Low | 69.52 (4/1) | 169.70 (4/1) | 850.57 (4/1) | 109.89 (23/9) | — |

* All-time high 995.15 (9/2/66)
‡ All-time high 279.88 (7/2/69)
Φ All-time high 163.32 (20/4/65)
† Excluding bonds.

### IND. DIVIDEND YIELD p.c.

| Sept. 17 | Sept. 10 | Sept. 11 1970 |
|---|---|---|
| 3.47 | 5.47 | 4.92 |

### N.Y. SE ALL COMMON INDEX

Dec. 31, 1965=50

| 1971 High | 1971 Low | Fri. | Thurs. | Wed. | Tues. | Mon. |
|---|---|---|---|---|---|---|
| 57.76 (28/4) | 49.75 (4/1) | 54.28 | 54.57 | 54.42 | 54.90 | 55.07 |

### RISES AND FALLS

| Issues traded | Up | Down | Unchanged |
|---|---|---|---|
| 1,679 | 655 | 693 | 331 |

| 1970/71 | Fri. | Thurs. | Wed. | Tues. | Mon. |
|---|---|---|---|---|---|
| New Highs | 17 | 11 | 20 | 26 | 26 |
| Lows | 57 | 64 | 59 | 28 | 32 |

### AMERICAN SE ALL STOCKS AVERAGE

| 1971 High | 1971 Low | Fri. | Thurs. | Wed. | Tues. | Mon. |
|---|---|---|---|---|---|---|
| 6.98 (28/4) | 22.72 (4/1) | 26.36 | 26.32 | 25.54 | 25.51 | 26.56 |
| Volume (000's) | | 2,900 | 3,090 | 3,410 | 2,454 | 2,040 |

### STANDARD AND POORS U.S. STOCK INDICES

| | *Industrials | †Composite |
|---|---|---|
| Sept. 24 | 106.51 | 98.15 |
| 23 | 108.74 | 96.38 |
| 22 | 108.85 | 98.47 |
| 21 | 109.90 | 99.34 |
| 20 | 110.16 | 99.68 |
| 17 | 110.49 | 99.85 |
| 16 | 110.14 | 99.66 |
| 15 | 110.22 | 99.77 |
| 1971 High | 115.84 (25/4) | 104.77 (25/4) |
| 1971 Low | 99.78 (4/1) | 21.15 (4/1) |

* 425 Industrials. † 425 Industrials, 50 Utilities and 25 Rails. (1941=10.)

### STOCK AND BOND YIELDS

| | Sept. 22 | Sept. 15 | Sept. 23 1970 |
|---|---|---|---|
| Industrial div. yield pc | 2.89 | 2.86 | 3.80 |
| Price-earning ratio | 17.57 | 17.82 | 16.60 |
| Long-term Govt. Bds. yields pc | 5.86 | 5.87 | 6.63 |

### MOST ACTIVE STOCKS

| | Shares traded | Closing price | Change on day |
|---|---|---|---|
| RCA | 268,400 | 37 | +½ |
| Caterpillar Trac. | 203,600 | 56¼ | −¾ |
| Inter. Tel Tel. | 150,300 | 55⅜ | −½ |
| Bordeo | 137,600 | 27⅛ | −¼ |
| Otis Elevator | 129,200 | 42½ | +½ |
| Amer. Tel. Tel. | 127,100 | 42⅞ | — |
| Inter. Tel. Pf. N. | 122,500 | 69¼ | −¾ |
| Gannett | 119,000 | 54½ | −2½ |
| Genuine Parts | 181,400 | 68 | — |

## TORONTO

### INDUSTRIAL INDEX

| Sept. 24 | Sept. 23 | High 1971 | Low 1971 |
|---|---|---|---|
| 173.36 | 174.47 | 188.74 (12/1) | 172.30 (22/9) |

## MONTREAL

| Sept. 24 | Sept. 23 | High 1971 | Low 1971 |
|---|---|---|---|
| 179.49 | 180.83 | 188.38 (20/4) | 176.60 (4/1) |

### COMBINED INDEX

| | | | |
|---|---|---|---|
| 178.16 | 179.28 | 184.05 (20/4) | 172.85 (22/2) |

## JOHANNESBURG

| | Sept. 24 | Sept. 23 | High | Low |
|---|---|---|---|---|
| Industrials | 176.6 | 179.6 | 212.4 (9/4) | 165.8 (3/11) |
| Golds | 73.8 | 73.6 | 89.3 (19/4) | 70.2 (1/9) |

(1958=100.) Source: Rand Daily Mail.

## AUSTRALIA

### MELBOURNE YIELD INDICES

| Av'ge yield on 50 Leading Stocks | Sept. 23 | Sept. 16 | Sept. 9 |
|---|---|---|---|
| On Dividends | 5.72 | 5.75 | 5.69 |
| On Earnings | 6.71 | 9.59 | 9.74 |

### SYDNEY ALL ORD. INDEX

| Sept. 24 | Sept. 23 | High 1971 | Low 1971 |
|---|---|---|---|
| 445.74 | 448.68 | 518.51 (4/1) | 445.74 (24/9) |

## TOKYO

### NEW SE INDEX

Base=100 January 4, 1968.

| Sept. 23 | + or − | Div. % | Yield % |
|---|---|---|---|
| 190.72 | +0.06 | 11.90 | 3.36 |

1971 High 200.19 (13/8) Low 148.63 (5/1)

## EUROPE

| | Sept. 24 | Previous | 1971 High | 1971 Low |
|---|---|---|---|---|
| Belg'm (m) | 98.31 | 98.79 | 106.74 (30/7) | 92.14 (4/1) |
| France (bb) | 69.9 | 71.9 | 72.2 (28/7) | 69.9 (24/9) |
| Germany* | 95.27 | 94.69 | 112.71 (23/2) | 95.84 (21/9) |
| Holland (e) | 105.71 | 105.7 | 128.0 (8/4) | 105.7 (23/9) |
| Italy ‡ | 45.97 | 45.91 | 60.08 (6/3) | 45.81 (23/9) |
| Sweden (p) | 271.86 | 271.65 | 292.71 (23/6) | 245.71 (5/1) |
| Switz'rl'd ** | 379.4 | 376.4 | 412.9 (10/9) | 353.5 (4/1) |

* Herstatt Index. ‡ Base amended to January 2, 1962, from December, 1930. ** Swiss Bank Corporation Index base 100 December, 1988. (b) Basis 100 December 29, 1967. (c) Closed. (m) Base date amended from 1953 to 1963. (e) Adjusted now quoted on basis 1963=100 and no longer 1953=100. (p) Base date December 29, 1956. (bb) New index introduced by Paris Bourse Committee basis 1961=100.

# OVERSEAS SHARE INFORMATION

NEW YORK — RAILROADS — INDUSTRIALS, ETC. — PUBLIC UTILITIES — TRUSTS, BANKS & BONDS

Investment $ Premium 22% (23½%)

TORONTO — MONTREAL — GERMANY — AMSTERDAM — OSLO — PARIS — BRUSSELS — SWITZERLAND — VIENNA — MILAN — TOKYO — STOCKHOLM — COPENHAGEN

# BARLOW RAND LIMITED

(Incorporated in the Republic of South Africa)

## RAND MINES, LIMITED—MIDDELBURG STEEL AND ALLOYS (PROPRIETARY) LIMITED ("MSA")

1. The explanatory statement issued on 19th April, 1971, by the chairman of Rand *Mines Limited* to its shareholders for the purpose of the Scheme of Arrangement in terms of which it was to become a wholly-owned subsidiary of Thos. Barlow and Sons *Limited (now Barlow Rand Limited)* included the following paragraph in regard to MSA and its subsidiaries ("The MSA Group"):—

"Middelburg Steel and Alloys (Proprietary) Limited ('MSA')

(a) Rand Mines has an effective interest (direct and indirect) of 38.6 per cent in MSA which is the parent company of a group engaged at Middelburg and Krugersdorp in the Transvaal in the production of ferro-chromium and other ferro-alloys and of stainless steel ingots, plate and sheets, a large proportion of which is exported.

(b) The rationalisation of ferro-chromium and stainless steel production at Middelburg and Krugersdorp through MSA in 1969 was a milestone in the development of important new primary industries in South Africa. After nearly two decades of research and development—activities which have accelerated in the past ten years—the twin undertakings of Rand Mines in this field were brought to the profit-earning stage in 1970.

(c) In 1968 the MSA Group recorded a loss of R3 400 000. In 1969 the loss was reduced to R1 600 000. In 1970 the group finished the year with an unaudited profit of about R700 000 after paying out R1 600 000 in interest charges on loan capital. The profit for 1971 should be substantially greater and, due to assessed losses, will not be subject to tax. It is not possible to make reliable predictions of profits further ahead but, for planning purposes, MSA is assuming a three-fold increase in group sales over a five-year period. The world demand for low carbon ferro-chromium is expected to increase because its major consumers, the stainless steel producers, expect to increase production by 40 per cent during this five year period. The meeting of this demand will necessitate the installation of additional plant at Middelburg which will require a high rate of capital expenditure. It will be some time before MSA's shareholders can expect material dividends to begin flowing. The estimate of profit for Rand Mines in 1971 as stated in paragraph (13) (page 19) does not include any dividends from MSA."

A copy of that explanatory statement was also sent to this company's shareholders.

2. A detailed investigation into the financial position and affairs of the MSA Group was commenced immediately after 28th June, 1971, when Rand Mines Limited became this company's wholly-owned subsidiary.

3. Preliminary figures now available show that the MSA Group will not earn a profit but will incur a loss (taking into account interest on shareholders' loans) in the order of R4 500 000 for the financial year which will end on 31st December, 1971. That loss is mainly attributable, inter alia, to:—

(a) A drop in excess of 20 per cent in world prices of stainless steel with the consequential need to write down the company's inventory of imported stainless steel accordingly:

(b) A decrease in the company's production in recent months of approximately 50 per cent arising from:

(i) The importation of stainless steel at prices lower than the company's ruling price:

(ii) A general decline in demand in both the South African and the export markets.

4. The production and accumulation of stocks of stainless steel has been mainly responsible for the non-profitability and non-liquidity of the Group and, therefore, steps are now being taken to arrest further losses from this division.

5. In addition "The Rand Mines Group", "The Anglo American Group" and "The General Mining Group" (the three principal groups of shareholders involved) have agreed to take the steps necessary to re-organise the capital position of the MSA Group (inter alia by the capital and revenue losses being absorbed by shareholders' loans, with the consequent substantial saving in interest, and equity shares) and to restore the liquidity of the MSA Group.

6. As all the capital and most of the revenue losses in question were incurred prior to 1st June, 1971 (from which date Barlow Rand Limited took the benefit of the issued and paid-up share capital of Rand Mines Limited), the share thereof (approximately R 9 700 000) attributable to Rand Mines Limited and its subsidiaries will be written off against reserves in the latter's respective accounts prior to 1st June, 1971.

7. The "earnings per ordinary share" of Barlow Rand Limited will not be affected by the write-offs referred to in paragraph 6.

*London Registrars:—*
THOS. BARLOW (HOLDINGS) LTD.
16 Stratford Place,
London, W1N 9AF.
*21st September, 1971.*

# THE CORNER HOUSE INVESTMENT COMPANY LIMITED

(Incorporated in the Republic of South Africa)

## MIDDELBURG STEEL AND ALLOYS (PROPRIETARY) LIMITED ("M.S.A.")

1. The "Chairman's Statement dated 24th March, 1971, included the following paragraph in regard to MSA:—

"C.H.I.C. holds over 1.5 million R1 shares in, and has made loans to the value of R1.5 million to M.S.A. These loans, which bear interest at ½ per cent above the prime bank overdraft rate, with a minimum of 9 per cent per annum, carry the right of conversion into shares at par. M.S.A. which produced, through its wholly-owned subsidiaries R.M.B. alloys (Pty.) Limited, The Southern Cross Steel Company (Pty.) Limited and Palmiet Chrome Corporation (Pty.) Limited, a substantial proportion of the western world's low-carbon ferro-chrome and high quality stainless steel for the domestic and overseas markets, made an unaudited profit of about R700 000 in 1970, compared with a loss of R1 600 000 in 1969. In order to cope with the demand for its products, the Middelburg Group has embarked on an expansion programme which will have considerable effect on its long-term prospect for profit and growth."

2. Shareholders' attention is drawn to the statement (printed above) in regard to the affairs of MSA and its subsidiaries made today by Barlow Rand Limited. This company is part of the "Rand Mines Group" referred to in paragraph (5) of that statement.

3. In the circumstances, and although it is expected that the profitability of the MSA group will be restored by the steps referred to in the statement (above), the directors consider that it will be necessary to make provision in this year's accounts for the writing down of this company's investment in and loans to MSA by R2 794 000. Shareholders should therefore appreciate that there is no possibility of any further dividends being declared until the company's position has improved materially.

*London Secretaries,*
CHARTER CONSOLIDATED LIMITED,
40, Holborn Viaduct, EC1P 1AJ.
*21st September, 1971.*

# TRANSVAAL CONSOLIDATED LAND AND EXPLORATION COMPANY LIMITED

(Incorporated in the Republic of South Africa)

## MIDDELBURG STEEL AND ALLOYS (PROPRIETARY) LIMITED ("M.S.A.")

1. This company and its subsidiary, Transvaal and Delagoa Bay Investment Company Limited, have an investment (consisting of shares and loans) in MSA of approximately R1 067 000.

2. Shareholders' attention is drawn to the statement (printed above) in regard to the affairs of MSA and its subsidiaries made today by Barlow Rand Limited. This company is part of the "Rand Mines Group" referred to in paragraph (5) of that statement.

3. In the circumstances, and although it is expected that the profitability of the MSA group will be restored by the steps referred to in the statement (above) the directors consider that it will be necessary to make provision in the accounts for the year ended 30th June, 1971 for the writing down of the investments of this company and its subsidiary in and loans to MSA by R981 000.

*London Secretaries,*
CHARTER CONSOLIDATED LIMITED,
40, Holborn Viaduct, EC1P 1AJ.
*21st September, 1971.*

# BSR LIMITED

INTERIM REPORT TO 3rd JULY, 1971

..... A summary of the un-audited results of the Group for the six months to 3rd July, 1971 together with the comparative figures for the first half of 1970 are as follows:—

| | 1971 | 1970 |
|---|---|---|
| Turnover | £13,429,952 | £10,037,384 |
| Trading Profit | £3,493,985 | £2,492,125 |
| Profit before Tax | £3,704,096 | £2,722,343 |
| Tax | £1,254,422 | £1,052,010 |
| Profit after Tax | £2,449,674 | £1,670,333 |

Group sales have expanded by 34% and this together with strict control on all expenditure has resulted in Trading Profits increasing by 40%. After crediting other income, profits before tax have risen by 36% to £3,704,096.

The trend in sales for the first six months has continued into the second half of the year. Production has been expanded again to meet strong world wide demand. The acquisition of Bulpitts (Swan Brand) Ltd. has been completed satisfactorily. Trading results of this Group of companies have improved over those for 1970.

Group profits for 1971 are expected to show a marked improvement over those for 1970 and therefore the directors have decided to pay an interim dividend of 13% less tax at 38.75p which compares with 11.36% paid in 1970 adjusted for the increase in share capital. The Interim Dividend will absorb £536,250.

# ARMY & NAVY STORES LIMITED

HALF-YEAR'S RESULTS

The Board of Directors of Army & Navy Stores Limited announce the following unaudited figures of the Group for the first half of 1971, with comparative figures for 1970:—

| | 6 months to 31.7.71 | 6 months to 31.7.70 | 12 months to 31.1.71 |
|---|---|---|---|
| | £000s | £000s | £000s |
| GROUP TURNOVER | 6,195 | 5,884 | 13,555 |
| GROUP PROFIT | 337 | 313 | 1,122 |
| Deduct: | | | |
| Depreciation | 80 | 78 | 157 |
| Finance Costs | 65 | 57 | 120 |
| PROFIT before Taxation | 192 | 178 | 845 |
| TAXATION | 76 | 72 | 341 |
| GROUP PROFIT (after Taxation) | 116 | 106 | 504 |

Sales of the Group for the six months to 31st July increased by £311,000, or 5.3%, to £6,195,000.

All Stores in the Group contributed to the increase, with the exception of Burgis & Colbourne Limited of Leamington Spa, where, as anticipated, sales were down owing to the disruption caused by the first phase of rebuilding. The main London Store has had a difficult time mainly due to the extensive demolition of a large area of the south side of Victoria Street, stretching from the Store to Victoria Station.

Salaries, wages and general expenses continued to increase, but some benefit is now being obtained from the recent welcome reduction in Selective Employment Tax.

In common with other departmental stores groups the major contribution to Group profit is made in the second half of the year. Thus it is emphasised that the first six months result gives little indication of the profit for a full year. Much will again depend on general economic conditions, the overall increase in sales and continued effective control of expenses.

PROPERTY DEVELOPMENT:

It was necessary to obtain a revised office development permit to support the new planning application for the development of the Stores' site in Victoria Street. The permit was issued in August and our application for planning consent is expected to receive consideration by the Westminster City Council shortly.

Extensions to the Camberley and Bromley Stores will be completed this year and a planning application for a further extension to the Guildford Store is at present under consideration.

# INTERIM STATEMENTS

## ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED

(Incorporated in the Republic of South Africa)

### Declaration of Dividend No. 70 on the ordinary shares

NOTICE is hereby given that dividend No. 70 of 5 cents per ordinary share, being an interim dividend in respect of the year ending 31st December, 1971 (1970 interim: 5 cents per share) has been declared payable to the holders of ordinary shares registered in the books of the Corporation at the close of business on 8th October, 1971 and to persons presenting coupon No. 75 detached from share warrants to bearer. Dividends on share warrants to bearer will be paid in terms of a notice to be published in the press at a later date by the Joint London Secretaries of the Corporation.

This dividend is declared in the currency of the Republic of South Africa.

Dividend warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about 4th November, 1971.

In the case of shareholders with registered addresses in Europe, or who have mandated payments to addresses in Europe, or shareholders who have requested payments in sterling, warrants will be posted from the United Kingdom and will be drawn in United Kingdom currency. Registered shareholders paid from the United Kingdom will receive the sterling equivalent, on 25th October, 1971, of the rand currency value of their dividends. Any such shareholders may, however, elect to be paid in South African currency provided that any such request is received at the offices of the Corporation's transfer secretaries in Johannesburg or in the United Kingdom on or before 8th October, 1971.

Shareholders whose registered addresses are elsewhere, or who have mandated payments to addresses outside Europe, or who have elected to be paid in South African currency in terms of the preceding paragraph, will be paid from Johannesburg, and all dividend warrants posted from Johannesburg will be drawn in South African rand.

Any change of address or dividend instruction to apply to this dividend must similarly be received by the Corporation's transfer secretaries on or before 8th October, 1971.

Shareholders must, where necessary, have obtained the approval of the South African Exchange Control authorities and, if applicable, the approval of any other exchange control authorities having jurisdiction in respect of changes in the office of payment.

This dividend is payable subject to conditions which can be inspected at the Head Office and London Office of the Corporation and also at the offices of the Corporation's transfer secretaries in Johannesburg and the United Kingdom.

The ordinary share transfer registers and registers of members will be closed from 9th October to 22nd October, 1971, both days inclusive.

The effective rate of Non-Resident Shareholders' Tax is 11.538 per cent.

### Interim report to members for the half-year ended 30th June, 1971

RESULTS OF OPERATIONS

The unaudited operating results of the Corporation and its subsidiaries for the six months to 30th June, 1971, are given below, together with comparative figures for the corresponding period last year. These should be read in conjunction with the adjoining notes:

| | SIX MONTHS ENDED 30TH JUNE 1971 | 1970 |
|---|---|---|
| | R | R |
| Group profit, excluding surplus on realisation of investments | 24 645 000 | 22 315 000 |
| Surplus on realisation of investments | 1 313 000 | 1 092 000 |
| | 25 958 000 | 23 407 000 |
| Deduct: Taxation | 2 010 000 | 1 420 000 |
| | 23 948 000 | 21 987 000 |
| Deduct: Minority interest | 2 791 000 | 1 204 000 |
| | R 21 157 000 | R20 783 000 |
| Cost of interim dividend No. 70 of 5 cents per share | R 6 491 000 | R 6 491 000 |

NOTE 1. No provision for the depreciation of investments is included in the figures as this will be considered annually at the financial year end.

NOTE 2. It should not be assumed that the results for the first six months of 1971 will be repeated in the remaining six months of the year for the reasons that:

(a) Income from investments does not accrue evenly throughout the year.

(b) The realisation of investments fluctuates in accordance with policy decisions and market conditions.

(c) Certain costs, such as those incurred on prospecting, vary materially from time to time.

By order of the Board,
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED.
D. S. BOOTH,
*Joint London Secretary.*

Office of the United Kingdom Transfer Secretaries:
Charter Consolidated Limited,
Kent House, Station Road, Ashford, Kent.

London Office:
40, Holborn Viaduct, EC1P 1AJ.

*23rd September, 1971.*

# Appeal Court 'blitz' to clear cases backlog

APPEAL COURT JUDGES are mounting a "blitz" on criminal appeal cases when the new legal year starts on Friday. About 2,000 appeals and applications for leave to appeal are awaiting consideration.

To clear the arrears, two courts of three judges will be in continuous session until Christmas. For half this time a third court will be sitting.

Never before has so much judicial time been taken up on criminal appeal cases. The great majority are applications for leave to appeal where the applicants are not represented. The judges consider the trial papers—including a partial transcript—before going into court. The cases can then be swiftly disposed of.

In the past year, the appeal courts have dealt with 6,000 cases. Some have taken five to five-and-a half months to reach appeal. But where appellants are serving short sentences special machinery has moved the cases much more quickly.

Court officials are determined to cut the waiting time. They feel it should be possible to bring the average case before a judge for preliminary consideration within six weeks of trial.

## NATIONAL SAVINGS IN AUGUST

| — | ♦Apr.-Aug. 1971 R'cpts | Re-payments | Apr.-Aug. 1970 R'cpts | Re-payments |
|---|---|---|---|---|
| | £m. | £m. | £m. | £m. |
| Save as You Earn: | | | | |
| Dpt. Nat. S. | 7.6 | 0.4 | 5.8 | — |
| T. S. Bks. | 4.8 | 0.2 | 3.2 | — |
| Total SAYE | 12.4 | 0.6 | 3.1 | — |
| Savings Certs. | 234.4 | 172.6 | 67.3 | 109.7 |
| Or.Sav. B'nds | 36.0 | 15.2 | 30.8 | 12.2 |
| Defence B'nds | — | 6.5* | — | 12.6† |
| Nat. Dev. B'ds | — | 14.7♦ | — | 35.7♦ |
| Premium B'ds | 75.8 | 25.4 | 43.3 | 27.5 |
| Nat. S. Banks: | | | | |
| Ord. accs. | 206.0 | 245.5 | 194.0 | 246.3 |
| Inv. accs. | 78.5 | 24.7 | 37.4 | 17.4 |
| Total N.S.B. | 284.5 | 275.3 | 231.4 | 263.7 |
| Trustee B'nks: | | | | |
| Ord. Dept. | 815.3 | 836.5 | 704.9 | 726.6 |
| Sp. Inv. Dp. | 167.4 | 142.6 | 139.6 | 132.4 |
| Current accs. | 67.5 | 66.2 | 48.6 | 47.0 |
| Total T.S.B. | 1,053.5 | 1,045.3 | 893.1 | 906.0 |
| Total | 1,656.6 | 1,665.9‡ | 1,275.1 | 1,373.3‡ |
| Net Saving | +102.7‡ | | −98.2‡ | |
| Accrued Int. | 127.3 | — | 112.5 | — |
| Int. on encashed Certs. | — | 62.2 | — | 42.5 |
| Total | 1,784.5 | 1,618.1 | 1,387.7 | 1,415.8‡ |
| Ch'ge in sum remaining invested | +166.4‡ | | −28.1‡ | |

♦ Estimates for 22 weeks to August 28.
* Including £5.5m. Defence Bonds paid off on maturity.
† Including £17.1m. Defence Bonds paid off on maturity.
♦ Includes £9.3m National Development Bonds paid off on maturity.
♦ Includes £21m National Development Bonds paid off on maturity.
‡ Including Defence Bonds and National Development Bonds paid off on maturity.

# C. H. JOHNSON & SONS LTD.

*(A subsidiary of J. W. I. Ltd., Montreal, Canada)*

INTERIM REPORT

Group profits before tax for the six months ended 3rd July 1971 amount to £21,476 compared with £127,870 for the six months ended 3rd October 1970. The different periods for comparison arise from the decision announced in the last annual report to change the company's year end date. As forecast in the chairman's statement accompanying that report, the six months now reported on have been most difficult and disappointing. With diminished demands for its products from the paper industry the company has had to bear increasing costs without any corresponding increases in prices to its customers during the period under review. There has been partial restoration of margins since the 3rd July 1971.

As previously indicated, the directors have decided not to pay an interim dividend in respect of the year ending 1st January 1972 (5% paid in respect of nine months ended 2nd January 1971).

The following figures show the trading results for the six months to 3rd July 1971 and the comparative figures for the six months ended 3rd October 1970.

| | Six months ending 3rd July 1971 | 3rd Oct. 1970 |
|---|---|---|
| | £ | £ |
| Turnover (including merchanting) | 946,806 | 1,050,731 |
| Net profit pre-tax (after deducting depreciation of £24,029 for 1970 and £26,889 for 1971) | 21,476 | 127,870 |
| Corporation Tax @ 42½% | | 54,500 |
| Corporation Tax @ 40% | 8,600 | |
| Net profit after tax | 12,876 | 73,370 |

GROUP PRODUCTS: PAPER MACHINE WIRES, BRONZE AND STAINLESS STEEL CYLINDER CLOTH, CYLINDER MOULD COVERING, FOIL UNITS, CONLOVAC BOXES, DRYER FABRICS, AND AUTOMATIC GUIDES FOR THE PAPER AND BOARD INDUSTRY.



# Excess Holdings Limited

AND SUBSIDIARY COMPANIES

Interim Report for the Half-year to 30th June, 19[illegible]
Interim Dividend for the Year to 31st December, 19[illegible]

At a meeting of the Board of Directors held 22nd September, 1971, it was resolved to pay [illegible] 27th October, 1971 to shareholders on the register [illegible] 5th October an interim dividend of 10% less tax at 38.75[illegible] (1970 10%.)

GROUP PREMIUM INCOME
(excluding Excess Life Assurance Company Limited)

The premium income on all underwriting years account less commission and reinsurance premiums is as follows:—

| 6 months to 30th June, 1971 | 6 months to 30th June, 1970 | Year to 31st December, 1[illegible] |
|---|---|---|
| £13,378,000 | £11,598,000 | £23,737,000 |

GROUP INTEREST and DIVIDENDS RECEIVED
(excluding Excess Life Assurance Company Limited)

| 6 months to 30th June, 1971 | 6 months to 30th June, 1970 | Year to 31st December, 1[illegible] |
|---|---|---|
| £793,000 | £770,000 | £1,620,000 |

UNDERWRITING ACCOUNTS

EXCESS INSURANCE COMPANY LIMITED—The 1[illegible] Account will be closed next 31st December. At 30th June 1971, the claims percentage was approximately 8% lo[illegible] than that of the 1968 Underwriting Account at the s[illegible] point in its three-year open period, i.e. at 30th June, 1[illegible] The 1970 Underwriting Account shows an improvement o[illegible] the 1969 Account at the same stage.

EXCESS MOTOR INSURANCE COMPANY LIMITED The result of trading for the six months to 30th June, 19[illegible] before taking into account investment income, is a loss £162,000 (1970 £81,000) or 4¾% (1970 3½%) of an earn[illegible] premium income of £3,437,000 (1970 £2,401,000). Increa[illegible] premium rates were introduced early in 1971 but are not fully reflected in this result.

EXCESS LIFE ASSURANCE COMPANY LIMITED

In the half-year ended 30th June, 1971, gross su[illegible] assured amounted to £17,641,000 (1970 £9,788,000). C[illegible] sideration for annuities purchased amounted to £759,[illegible] (1970 £232,000).

# '$ will remain top currency'

FINANCIAL TIMES REPORTER

THE U.S. DOLLAR was bound to remain the world's principal transaction and intervention currency, however much international monetary experts might want to see a new reserve asset. This view was put forward by Sir Eric Roll, a director of the Bank of England and Deputy Chairman of Warburg's, in Washington yesterday.

Sir Eric, who was delivering the Per Jacobsson Foundation Lecture on the eve of the International Monetary Fund annual meeting, took as his subject International Capital Movements—Past, Present, Future.

He said the experience of past discussions on world liquidity did not augur well for a quick solution to the present international monetary crisis. The inclusion of problems such as aid and defence-burden sharing could hardly be looked upon as improving the prospects of an early overall long-term solution.

Sir Eric hoped an early re-alignment of currency parities would take place, accompanied by the withdrawal of the 10 per cent. surcharge and the other new U.S. protectionist measures. But because the dollar was bound to retain its paramount position, some action must be taken to consolidate the large short-term dollar balances which were over-hanging the market.

The events of the last six weeks had removed the "exclusive concern" with the Euro-currency market, he felt.

"I hope that at least one lesson we shall learn from the present monetary disorder is that fundamental factors are at work and have therefore to be dealt with, rather than to concentrate on the surface phenomena to which these give rise," he declared.

In a long paper written before the recent currency upheavals, Sir Eric called for a general attack on the problem of international monetary instability and argued—with some reservation—in favour of wider bands as a transitional move.

# Call for action over student accommodation

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

RESPONSIBILITY for student accommodation should be given to the Department of the Environment instead of the Department of Education and Science, according to Mr. Digby Jacks, president-elect of the National Union of Students.

Mr. Jacks advocated this move at a week-end conference held in Birmingham against a background of emergency measures in universities and polytechnics to house students who will be returning during the next few days.

In Manchester, the university was preparing to hou[illegible] students in a sports cen[illegible] to billet another 200 wit[illegible] bers of staff. The poly[illegible] had 200 Civil Defence s[illegible] bags ready, the conferen[illegible] told.

The present situation w[illegible] enough, Mr. Jacks suggest[illegible] the accommodation proble[illegible] going to become a major[illegible] The future expansion of [illegible] education might well b[illegible] vented unless the Gove[illegible] took emergency action to [illegible] housing for students.

مكتبة الأمل

Financial Times Survey

# Bearings

# Industry in state of flux

By DAVID WALKER

For the British bearings ndustry, 1971 and 1972 could e something of make nr break ears. As a components indus-ry, with vehicle manufacturers its largest single customer ector and heavily reliant, too, the aerospace industry, it has een suffering the same prob-ms as many other areas nf K hnsiness.

At the same time, it has been sector with many special fficulties of its own, particu-rly so far as the British-owned rt of the industry in this untry is concerned. And, in rld market terms, it has rted facing still further in-easea in competition, not least m Japan, in an already highly npetitive business.

Some four dozen or so com-nies operate in the British rings industry; all but four them comparatively small. the four, only one is not subsidiary of giant Swedish American organisations.

## Recent creation

hat one, Ransome Hoffmann lard, is a recent creation, med on the initiative of with financial backing n the now defunct and many quarters little missed ustrial Reorganisation Cor-ation. It has already been ribed as potentially the only triumph of the IRC.

he group owes its existence he IRC's determination to ntain a significant U.K. stake he industry at all. In 1968, three top independent bear-companies in Britain were mann Manufacturing, Ran-e and Marles, and Pollard ings. Between them, they unted for only 35 per cent. he £70m.-a-year home pro-duction of bearings, compared with the 27 per cent. achieved by nne single company, Skefko, the U.K. subsidiary of the huge Swedish SKF group.

The pattern was highly frag-mented compared with the situa-tion in Western Europe and elsewhere. One or two giant companies competed on the world market with similar con-cerns in nther countries. In Britain, a nnmher of smaller manufacturers competed with each other nn terms in which the world market seemed in danger of being forgotten.

Productivity was low, witb an annoal turnover of £2,500 to £3,000 per man compared with the £5,000 tn £6,000 achieved by Continental com-panies and the £10,000 per man of some American manufac-turers.

The halance of payments posi-tion was weak, and apparently getting worse. Direct exports in 1968 amounted to £15.37m., while imports were £10.99m., with overseas sales worth only 36 per cent. mnre than pur-chases abroad. Five years earlier, the difference had been 75 per cent.

In fact, the only countries with a strong balance of pay-ments position in relation to bearings were Sweden and Ger-many. Sweden, of course, was and is dominated by SKF, twice the size of its nearest world rival, Timken, the U.S. parent of the British Timken company.

In Germany, SKF and the independent Kugelfischer FAG shared 80 per cent. of the mar-ket. In France and Italy, SKF had about 70 per cent.

The message for Britain was clear; considerably larger units were necessary. The three domestically-owned companies made a larger number of over-lapping products, with each producing 7,500 to 13,000 differ-ent types of bearing. And one was being forced into accepting unprofitahle orders.

It was against this background that a merger was planned between Skefko and Ransome and Marles, and the IRC stepped in. The result was the unifica-tion of the three major Britisb-owned companies, ending the fears ahout the industry's future structure which, because of general uncertainty, had hlocked investment in modern tech-niques and equipment.

## Expansion scheme

To-day, the massive reorgani-sation programme at Ransome Hoffmann Pollard is virtually finished, and a £15m. three-year expansion scheme is well under way.

The grnup's nine principal factories have been rationalised to ensure the manufacture of all bearings of one type and size at a single plant. Sales outlets ahroad, previously in competi-tion with each other, have been streamlined through mergers. Output has risen to over £4,000 a year per employee, with the prospect of an annual £8,000 per man being reached at some plants within another five years. A major sales drive to the U.S. bas been mounted, while a revamping of European opera-tions is aiming at a substantial rise in its current 2 per cent. share of the vast European bear-ings market.

The results have already heen seen in the advances in the group's turnover and profita-bility. In the 15 months to the end of September last year, sales of £50.1m. were achieved, includ-ing exports of £8.3m., or 19 per cent., with a pre-tax profit of £4.1m.

That compares with an overall turnover of £37.7m. hy the three constituent companies in the year to June 30, 1969, when pre-tax profits came to £2.6m.

Since then, the group has heen badly hit hy strikes in the motor industry, the Rolls-Royce collapse, the power dispute and protest stoppages against the Iodustrial Relations Bill. Despite all that, the half-year to March 31 saw sales of £22.1m. and a trading profit nf £1.3m.

While RHP bas been radic-ally changing itself, its foreign owned rivals have also been expanding in the U.K. SKF bas launched a £160m. international expansion scbeme in partner-ship with subsidiaries in the U.K., Italy, France and Ger-many, and including a £3.2m. Scottish factory near the exist-ing Skefcn Irvine plant to specialise on precision work for specialised users, particularly aircraft manufacturers. Over the next five to seven years, SKF's investment in the U.K. will amount to around £15m.

British Timken, which is con-cerned mainly with tapered roller bearings in wbich RHP is not, at present, interested, has completed a £2m. investment programme to increase output at its Duston and Daventry plants.

Overall, much needed price rises have been introduced hy the industry after difficulties caused by the size of its major customers—though more seem inevitable—and delivery times have been mucb reduced.

At the same time, bowever, as the industry has been sort-ing out its own problems, it has been beset by new difficul-ties hitting its customers. Thus roughly one bearing in three goes to the motor industry for use in wheelhubs, transmissions and steering mechanisms. Each average private car contains 25 bearings; each lorry has 30.

The well publicised difficul-ties facing the motor industry bere have, inevitably, hit bear-ing manufacturers too. Skefco, in particular, admitted in its latest annual report that that had made 1970 a difficult year for it.

In aerospace, a general reces-sion and the collapse of Rolls-Royce has particularly affected demand for small precisinn bearings used in instruments and elsewbere. And the overall industrial climate, with its low investment by industry and general uncertainty, baa addded to the cutbacks, even though, on a world scale, hearing demand bas rocketed.

Despite that rapidly increas-ing demand, the U.K. industry bas not been able to improve its balance of payments situa-tion. In fact, despite signs of a turn round at the start of last year, it bas worsened. Exports have gooe up, but imports are bigber too.

In 1970, overseas sales were worth £22.15m. as far as ball, roller, and needle roller bear-ings are concerned, against £18.17m. a year before. Imports came to £18.37m. compared with £13.35m. over the previous 12 months and that 36 per cent. favourable balance of 1968 dwindled to 21 per cent.

For the first fnur months of 1971, tbe figures again sbow an improvement, just as they did for the earlier part of last year. At £8.7m. overseas sales were 28 per cent. of imports, whicb were valued at £6.75m. Even though those figures do not tell anything like the whole story —indirect exports are estimated to account for around 50 per cent. of production—they are sigoificant in sbowing bow far the industry has to go to catch up on earlier achieve-ments.

And it is a process which could be becoming more diffi-cult despite the boost the Mini-Budget bas given to the bome market. The recent imposition of a 10 per cent. tax on imports by the U.S. could hit sales there —£2.2m. last year making it one of the U.K.'s higgest single cus-tomers

## Important supplier

Perhaps more important, the U.S. measures could add still further to the competition posed by Japan both on world market terms and within the U.K. Japan has been supply-ing around 70 per cent. of all bearings imported to the U.S. which amount in all to 29 per cent. of the total consumed tbere. In the miniature bear-iogs field, the Japanese domin-ance bas heen especially marked.

Tbe American moves appear to be aimed largely at Japan, and could force ber to expand her other markets even more than is already being done.

The country is already an important supplier to the U.K. Imports from there were worth £1.15m. in the four months to the end of April against £2.05m. in the wbole of 1970. On a world basis, Japan is becoming steadily more significant.

And that cnmes at a time when world market prospects as a wbole seem lesa bright for the industry generally than a year ago. In its last annual report, SKF forecast that the uncertain economic climate of West Ger-many—a major customer for Britain too—and the impact a slowdown in trade there could have Western Europe generally could dampen sales growth.

At the same time, the group predicted positive effects on world trade tendencies gener-ally from the increase in busi-ness in the U.S., allowing a continued annual expansion of 8 to 10 per ceot., albeit with narrower profit margins. Now, the U.S. advance appears un-likely to be reached.

For Britain, mucb must depend on the success of RHP with its reorganisation, and with the investment plans of the other major groups.

Much, too, depends on the 40 or so smaller companies, often supplying specialist products, which are still a highly signifi-cant part of the U.K. scene, and which manage to ohtain substan-tial exports as a proportion of overall sales. A figure of 30 per cent. of turnover going directly to the U.S., as has heen achieved by British Manu-factured Bearings, one of the larger small companies, is not particularly uncommon.

Those, too, with their envi-able records on delivery times and attention to small orders, are changing rapidly in response to altering conditions.

# Competition from Japan

By DAVID CURRY

The last three years has seen the bearings industry in this couotry faced with two major challenges. The first was the necessity of the British-owned companies to regroup so that they could compete in a world dominated by majnr inter-national concerns. The second challeoge is now emerging and facing all manufacturers: the cballenge from Japan.

In 1969 the British market drew some 35 per cent. of its supplies from the three com-panies that were to merge into Ransome Hoffmann Pollard. Skefko, the British arm of the Swedish-based giant SKF, beld about 28 per cent., and the remaining domestic production was shared by two U.S.-con-trolled companies, Britsh Timken (part of the Timken Roller Bearing Company) and Fafnir (Textron Inc., U.S.). These sbares appear to bave remained fairly stable. A pro-cess of rationalisation, particu-larly the concentration nf pro-duction, engineering longer pro-duction rnns and progress to-wards standardisation of ranges has enabled the industry in Britain to keep some control over cost and to go into the battle against the Japanese in better shape.

Even so, by some Enropean standards, the British market remains somewhat fragmented. In Germany SKF and the German Kugelfischer FAG sbare about 80 per cent. of sales and SKF holds about 70 per cent. of the market in both France and Italy, as well as supplying the lion's sbare of its own Scandi-navian market.

## Trade figures

The challenge from imports can be gauged from the trade figures. In 1968 imports were worth £11m., rising the follow-ing year to £13.4m. and last year to £18.4m. During that time exports climhed from £15.4m. to £22.1m. In 1963 the value of our exports was worth 75 per cent. more than the value of imports. Last year the figure was 12 per cent.

In 1970 Japan supplied hear-ings worth £2.05m. In the first seven months of this year Japan had already accounted for £2.29m. of a total import bill of £12m.

Two factors mitigate the circumstances. In the first place the world is now beginning to emerge from a serious sbortage of bearings which meant, as one Britisb manufacturer put it: "If you could deliver the goods you could ask your price for them." Japan has profited from a strong international demand at a time wben her own domestic economy was, by Japanese standards, very sluggisb.

In the second place it is pointed out that the Japanese are producing mainly relatively unsophisticated bearings, and as yet bas not got the extensive range of hearings to offer that Britain has.

However, there is another side to the coin. The Japanese output of bearings last year is helieved to have been worth about £170m., taking third place hehind the U.S. with £600m. and West Germany with £175m. and double the estimated U.K. figure of £89m. Her industry is still at a relatively early stage in grouping.

## Unhappy reading

The American experience makes unhappy reading for British companies. More than 50 per cent. of all miniature bearings used in the U.S. last year were imported, of which 70 per cent. came frnm Japan and local producers estimated that Japanese prices undercut theirs from hetween 20-60 per cent. The U.S. group of SKF gave up the fight for the minia-ture hearings market when it

Continued on next page

BEARINGS II

# Demands for better performance

By ANDY McELROY

Ever since the Invention of the wheel every rotating piece of machinery has needed a bearing of some kind. Thus it migbt seem that the industry, like some others with a similar substantial claim to be the oldest branch of engineering, would be locked in tradition.

That this is not so is apparent even to the least interested. Purely on the basis of performance, with rotational speeds on, for example, car engines increasing continuously, and tbe abolition of regular lubrication on equipment as diverse as washing machines and ships' stern gear, it is obvious that the bearing industry is making better use of existiog base materials and has been quick to exploit tbe pbysical cbaracteristics of tbe new.

Naturally, tbese cbanges and innovations have been in response to commercial demand, although often the development of improved units has predated the main needs of the engineering industry. Bearing failure used to be a very common cause of mechanical breakdowns on every type of equipment. Bearings are also a source, diminishing with each improvement, of power losses. These two reasons are enough for both machine designers and bearing designers to look for ways of effecting improvements.

## New generation

Typical of the new generation of units that bave brought great benefits are the ptfe (polytetrafluorethylene) hearings manufactured and developed by Glacier. Tbese plain bearings, altbough now several years old, represent a basic departure from accepted bearing design and use, and have allowed designers tremendously wide scope.

Normally, a plain bearing works on the principle that the rotating shaft and the bearing are prevented from coming into metal contact by a film of lubricant continually supplied under pressure. In fact, the operation of a bearing owes more to hydrodynamics than to any antifrictioo qualities of the materials.

Admittedly, there were a number of intermediate improvements in plain bearings that avoided immediate failure sbould the lubricant supply fsll, or damage during the initial few seconds of rotation. Among these was the development of bearing liner materials which would hold a small quantity of oil in the surface or which, like white metal or phosphor bronze, are resilient enough to avoid damage hoth to the shaft and, to a lesser degree, to themselves, during dry running.

Nevertheless the use of ptfe In particular, and other plastics nr composite materials, was an improvement of a different order. Under certain conditions, ptfe has a coefficient of friction approaching that of Ice on ice. Given that the load and speed characteristics of the machine are suitable, this means that immediately power absorptinn at the hearing can be reduced and the need for a lubrication system is immediately abolisbed.

Plain hearings are, however, only part of the story. Recently, plastics bave also been used for the manufacture of races for ball and roller bearings. Commonly, the csuse of failure of s ball or roller component is the formation of small stress cracks on the running surfaces, leading to damage to the rollers and very rapid failure of the bearing.

Cages made of plastics are not as prone to this defect as metal, and very recently Bearings (Non-Lube) introduced a range of roller hearings witb races moulded in an acetal copolymer (in this case ICI's Kematal). Lubrication is not needed, and it has been found that they are ideal for applications where they will be submerged in water, since the company is also using stainless steel for the balls or rollers, depending on type.

One of the less obvious advantages of bearings that require no nil or grease is that they are very suitable for food processing equipment since there is no risk of contamination. This enables the designer to simplify his equipment, cutting out the seals needed with normal bearings.

But for the majority of engineering applications all-metal bearings are still preferred, because of their abillty to withstand beavy loadings over long periods.

## Wide use

In addition, the oil and lubrication companies have also been running parallel research aimed at improving the properties of oils and greases and extending service intervals. A noticeahle change in recent years bas been the swing from oils back to greases as the lubricant. Many of the new greases are intended to enhance bearing life under extreme service conditions, while others bave made possible the introdnction of the sealed-for-life type nf bearing known largely to most people through their wide use on cars.

These bearings eliminate maintenance, until they break dnwn as they still do and another system that brings down the running cost is automatic lubrication. Industrial equipment often incorporates this in the design, and a leading firm in the design and manufacture of such systems, Tecalemit, points out that by eliminating the human element they also reduce the incidence of failure quite substantially by redncing one of the most common causes of poor lubrication—human error.

Equipment that can warn of impending failure of rolling types of bearings has been developed hy SKF. Briefly, it detects the high-frequency vibrations caused hy surface damage to a component, and allows the maintenance staff to replace the bearing when the equipment is out of service f[illegible] some other reason without i[illegible]terrupting its use. Equally i[illegible]portant is that this equipme[illegible] coupled with a degree of co[illegible]mon sense, will avoid the [illegible]necessary replacement of a p[illegible]fectly sound component, ev[illegible] thnugh its theoretical serv[illegible] life may be nearly nver.

Despite increasing demar[illegible] from machine designers for [illegible]craased performance, beari[illegible] manufacturers are operati[illegible] successfully in a highly c[illegible]petitive field. As they bave [illegible]covered, technical exceller[illegible] must be coupled with econor[illegible] and it is bere that gradual [illegible]provement of existing ty[illegible] coupled with the exploitation [illegible] the latest technology enab[illegible] them to offer a choice of c[illegible]ponents giving an economi[illegible] solution tc any bearing probl[illegible]



# Different types of bearings

By MICHAEL CASSELL

The principal requirement of a bearing is to reduce to an absolute minimum the effort needed to produce and maintain motion between two surfaces brougbt into contact with eacb other. With this basic objective in mind, a wide choice of alternatives has been perfected to cope with a varlety of roles.

It Is primarily essential for the engineer to overcome the natural tendency for these two working surfaces to weld together by introducing other substances, such as pressurised liquids, plastics or hard nr soft metals, between them. Only careful study of the individual problems confronted across a vast range of engineering applications has eventually evolved the methods best suited to particular requirements.

## Air jets

For bigh speeds of rotation, where the conventional row of beavy balls or rollers becomes impractical, a layer of viscous fluid can be effectively used, as can gas. In the latter case, air is often the answer but there can be difficulty in preventing the two surfaces from touching and possibly welding together during stopping and starting. This can be overcome with the introduction of air jets within the bearing which flost the shaft and so prevent friction and ultimate wear.

There is a major area in which bearings rely completely on the presence of oils and greases to prevent contact although their application dnes have some strict limitations. Of importance here is the maximum temperature at which these thin oil film bearings can effectively operate and there is a very real practical problem in providing an adequate supply of oil to ensure tbat major contact and welding of surfaces Is avoided.

But for bearings which have to operate under bigh temperatures, petroleum oils become unsuitable and engineers have to-day turned their attention to solid lubricants and dry bearing materials, a field wbich holds tremendous development and application possibilities for the future.

These materials bave been designed to operate at low friction values in the total absence of oil or grease lubrication and will perform well when temperatures rise above the 150 C mark.

The reinforced thermosetting resin forms another important category in the dry bearing field and is used in a number of completely dry applications for which ptfe or grapbite may be incorporated. It also bas considerable success in uoderwater applications.

As technology has demanded higher speeds and greater accuracy, the part played by the long-established hall and roller bearings has oot been reduced and, in fact, the need for precision materials in this important field is now stronger than ever.

The manufacture of rolliog element anti-friction bearings requires a high degree of technological expertise as well as modern plant hut their versatility is undisputed and their advantages are numerous. They can be lubricated simply, bave a high level of accuracy and are easy to replace. Most of them are standardised on an interoational basis and replacements are usually easy to obtain. Listed among the disadvantages are their cost—they arc more expeosive than plain bearings for very simple applications—and tbeir tendency to attract contamination from dust and other foreign bodies. But despite tbis, their place in a wide range of industries from motor vehicle manufacture to aircraft productioo is assured.

The motor industry is also a major consumer of porous metal bearings wbicb enjoy extensive usage throughout the domestic appliance field as well. Their principal advantage nver other types of thin oil film bearings is the flexibility afforded to the bearing design engineer. They represent a cbeap and readily available bushing material which Is fitted by conventinnal means and they provide a solution to the problem of providing lubrication to a low-duty bearing application where lubricatinn is either impossible or undesirable.

## Fluid film

No review of the types of bearings available to-day would be complete without mention of the journal bearing, which has carried the fight against friction for many years. Modern bearings in this category fall into two sectors, hydrodynamic and hydrostatic. In the hydrodynamic bearing the rolling surfaces are kept apart by a fluid film in whlch pressure is generated by the motion of the two surfaces.

This type boasts a long life because the surfaces are not in contact except for starting and stopping and tbeir cost is also low in vlew of accurate production tecbniques. Replacement costs are also kept to a minimum.

They are not, however, very appropriate in cases where load is bigh at low speeds because of the low level of film pressure generated between the working surfaces. Ball and roller bearings used to operate exclusively in this field but now it has been found that if an external pressure source can be found and the correct balancing controls devised, plain journal bearings can provide satisfactory results.

# Competition—(Cont'd.)

Continued from previous page

sold its Reed Instrument Bearing Company division to Nippon miniature bearings.

The Ransome Hoffmann Pollard group makes no bones about facing a simultaneous Japanese challenge in Australia, New Zealand, Singapore and India. Australia is a major British market, taking goods worth £2.13m. in 1970, which excludes RHP products which are locally manufactured bebind a protective tariff.

It is difficult to gauge exactly how big tbe British market is likely to be over the next few years. Since 1963 it has grown by an average annual 3 per cent., wlth imports taking a steadily increasing share. The projected growth rate in the early 1970s is put at about 5 per cent., thougb this depends on a rate of expansion of about 7 per cent. in the U.K. motor industry, which accounts for nearly a tbird of domestic deliveries. The remaining 70 per cent. of demand is widely dispersed tbroughout industry and Is likely to keep in line with total manufacturing output. By 1972 home market sales are expected to reach about £72m. (at 1967 prices) against £53.1m. in 1968.

The spectacular growth of Japanese imports (wbicb still account for a very small part of the market) is unlikely to be maintained. The stabilisation of world demand and the gingering-up of the industry in the U.K. should account for tbis, though tbe chsllenge will certainly be maintained. Japanese cargoes tend not to be sbips that simply pass in the night!

## Direct exports

On the international scene all the British-based companies expect the major growth to come from exports. RHP has nine overseas subsidiaries witb manufacturing facilities in Australia and the U.S. Its overseas activities are likely to be concentrated wbere there are sales and production facllities to get an immediate return, and this means that the bulk of the growth wlll come from direct exports. According to the group's export manager, Mr. Patrick Chapman: "We shall look very sick indeed if our ncxt report does not sbow exports accounting for substantially more than the 19 per cent. of turnover in our last report."

The non-Communist international market Is believed to be in the order of £1,500m. a year. Of this, SKF has 23 per cent. with sales of about £360m. a year. Timken's £180m. sales give it a 12 per cent. slice of the market. The West German FAG holds a £100m. stake of about 6 per cent. and RHP takes about 3 per cent. with £40m. sales. The two major markets are the U.S. and Canada, wbicn took bearings worth about £37.4m. in 1966-67, and the EEC, wbich took £37.4m. of goods. For Britain the Commonwealth (£5.6m.), the EEC (£4.8m.), South Africa (£2.7m.) and the U.S. (£2.26m.) were the leading markets.

The British companies, of course, are on the hrink of a tbird challenge: that of Brltish entry into the EEC. Bearings have gone through the labour pains of reorganisation already and so, structurally, is in shape for EEC entry. It is now much more a marketing-minded industry rather than a supplier. It should, therefore, be in a position to take advantages of the classic benefits of the wider market in Europe.

## BEARINGS III

هكذا من الأجل

# Keeping stocks at the ready

By RAY DAFTER

With bearings playing such a vital part in production machinery it is often essential that new or replacement stocks are readily available.

One U.K. company went to tha lengths of chartering a light aeroplane to collect a bearing from Germany, a bearing needed for an important but temporarily inoperative piece of machinery.

And in another case a car was sent from Manchester to Wrexham one week-end so that half a dozen ball bearings—less than ¼ inch in diameter—could be delivered on time.

### Quoted price

Tha second of these instances relates to the service provided by a bearing bouse, an important and growing influence on the British bearing industry and, indeed, industry in general.

This particular house footed the bill for the transport which ran into several pounds; the cnstomer paid only the quoted price for the bearings—a matter of a few pence.

While the bearing house bas been accepted as part of the U.S. industrial scene for over 40 years, it is a relative newcomer in the U.K. The first was establisbed in the mid-1950s; now there are approaching 100 established bouses in the major manufacturing cities and towns as well as a number of other depots specialising in imported and industrial surplus bearings.

There are indications that such stock centres are spreading to the Continent, Germany in particular.

It sbould be added, of course, that Britisb bearing manufacturers also have stock rooms dealing with orders for their own specific demands.

The role of the bearing house is to stock and provide industry with a full range of bearings on demand; failure to do so would undoubtedly go down as a black mark against that particular depot, quite possibly prompting the transfer of business to a competitor.

The bearing bouse bas really become establisbed because of the sbeer multiplicity of designs aod makes of bearings used by industry.

### 36,000 types

Ooe leading bouse said that it stocked some 36,000 basic types of bearings in addition to the material variances and different diametric clearances of some basic types.

A bearing failure can cost a manufacturer a considerable amount of money in lost production time unless replacement stocks are quickly obtainable. Hence we bave seen the establishment of bearing houses in most manufacturing centres; in many cases more than one.

Nevertheless we are likely to see a number of new depots establisbed on a smaller scale in "secondary" areas. The bearing bouses have now reached a stage wbere they seem to be regarded as an important and integral part of industry both by the bearing manufacturers and their ultimate customers.

As with any "middle man" service the cost per unit bought through a bearing bouse is quite likely to be higher than the cost direct from the manufacturer.

Bearing bouses are quick to point out, however, that they can point to many occasions wben a customer actually saves money by buying through their depots.

One of the main advantages is speed of delivery. Another is the fact that an industrial concern can buy a variety of bearings produced by a number of different manufacturers from one centre.

The alternative to industry in general would be company stocks of replacement bearings, not only taking up valuable space but probably eating up even more valuable capital in—to a large extent—dormant assets.

Mucb better, preach the bearing houses, to buy replacements wben you need them . . . provided you can rely on receiving them promptly.

Which brings us to another advantage of the bearing bouse: the oblique advisory service.

If a particular bearing (perhaps vital to a manufacturing process) is no longer produced the bearing house believes it can usually find a comparable alternative.

The advisory role also extends to providing guidance on the correct fitting and servicing of bearings. In addition, advice is also provided on interoational bearing interchangeability and the implications of metrication.

### Efficient service

Bearing bouses must rely on providing an efficient service to survive. This in turn means keeping their stocks replenisbed, often by a regular or even daily delivery run from a central supply. Increased transport costs must bave an effect oo profitability, but ooe leading bearing house pointed out that it was able to overcome this problem by a greater utilisation of its service fleet. The more depots it opened, the more calls the lorries bad to make.

The 80 or so bearing bouses in the U.K. at present—a large proportioo of these are small distributors linked to one manufacturer and fulfilling a purely local demand—bave a combined turnover in the region of almost £8m.

It has been estimated that between 15 and 20 per cent. of the total Britisb bearing market could be serviced efficiently and economically through the bearing house system.

So given that the potential of the British market is in the region of £75m. there is still room for considerable expansion of bearing bouses in this conntry.

# RHP becoming a real force

By ANTHONY MORETON

Ransome Hoffmann Pollard is now an establisbed force in the bearings market, nnt only in Britain, wbere it is the leading concern, bnt also on world markets, too, wbere it ranks ninth or tenth. Yet two years ago it did not formally exist.

Tbe need for a British bearing manufacturer able to compete on an equal footing with the world's giants was conceived by the then Industrial Reorganisation Corporation. The British market in the late 1960s was dominated by Skefko, offshoot of the Swedish company, with British Timken and Fafnir, both subsidiaries of American concerns, taking a considerable sbare as well. Home production was diffused among Ransome and Marles, Hoffmann and Pollard. There was overlapping of production facilities, eacb had too low an output to compete effectively with the foreign giants and output per man was low by world scales.

The IRC's belief that there ought to be a viable British-owned sector of the industry was partly stimulated by news that Skefko was starting to acquire one of the British concerns. It stepped in, prevented a Swedish-British merger and eventually after some hard infighting brought the three U.K. concerns together in RHP.

The new RHP formally came into existence on January 1, 1970. Its chief executive, Mr. Bill Barlow, wbo had come from English Electric, faced a daunting task. He had to reorganise three separate companies, with manufacturing facilities spread around the country, into one at a time wben (althougb be was not then to know it) the boil was going off the economy.

At the time of the merger the company was manufacturing about 15,000 types of bearings, there were some 15,000 employees, and output was around £2,000 a man compared with £3,000 in Europe and considerably higher in both the U.S. and Japan, wbich had recently emerged on world markets as a major force.

The first task was to reorganise the merged company into five divisions giving considerable autonomy to the general managers of eacb. Mr. Barlow operates from an office right in the centre of London but this is essentially a lean headquarters operation with production being concentrated at the divisional HQs.

### Five divisions

The five divisions set np were: general bearings; transmission bearings; aerospace bearings; dick bearings; and Whitebouse Industries. The last is the odd man out as it is the only one not concerned with bearings. Its line is fasteners, with the motor industry as one of its major customers.

Despite the short period since its founding this rationalisation programme has now been completed. Tha gronping together of like products and the cutting out of much overlapping has already had considerable beneficial effects. It has been possible to reduce the work force to some 12,800 through natural wastage, redeployment and other methods. Output per man has been pushed np to some £3,600 and by the end of this year it will be around £4,000—as originally planned.

There is still some way to go before the company competes on an equal footing on an output-per-head basis with the world leaders. Bnt what is important is that a British company bas been able to double its own figure virtually within a year and come within striking distance of the giants of the trade at a time when economic conditions bave not favoured it.

Mr. Barlow is naturally bappy about the progress that has been made. "We are pressing ahead with modernisation as fast as we cao," he said recently. "We are just getting the new machinery that we want delivered. We are halfway towards replanning the layout of our factories. At Newark, for instance, we are going to put up a completely new grinding shop, which we are scbeduling for next year, and other work will be undertaken at other factories. We are improving our methods, too. We are now as good as anyone in this country."

### Point of sale

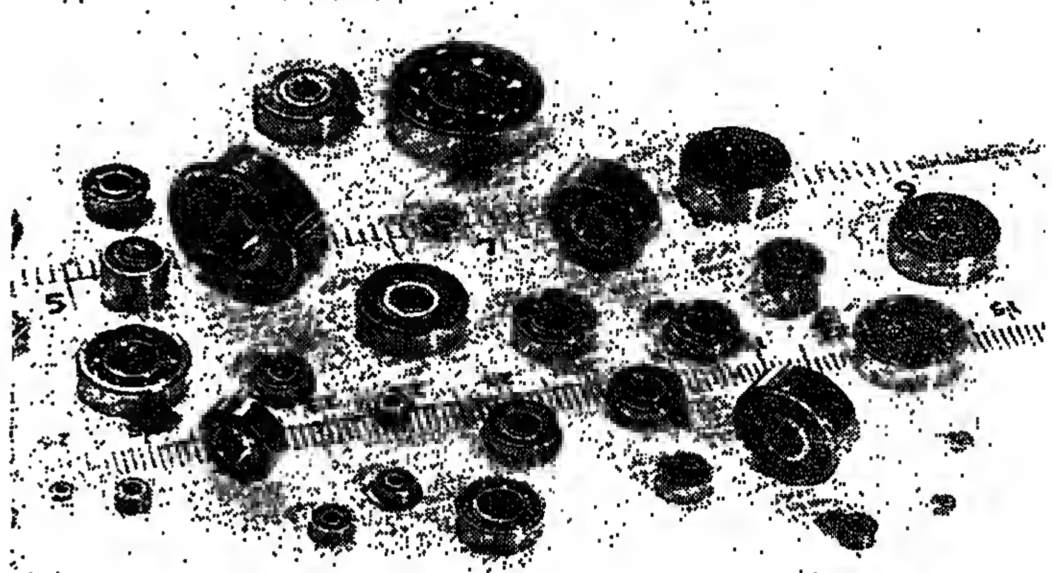
Part of the success that bas come about in the 20 months has been on the export side. There are major subsidiaries in Australia, Canada, the U.S. and South Africa. In Europe, wbere new managers bave been introduced, there are companies in Belgium, France, Holland and West Germany. Exports have risen strongly, partly as a result of the policy of putting stocks nearer the point of sale. "We can do better almost everywbere," Mr. Barlow asserts.

One proviso at the moment is the U.S. The import surcharge recently introduced there will probably cut down the strong rate of growth and flatten the growth curve. But the company is to absorb the surcharge for a wbile, hoping that the U.S. manufacturers, at the end of the price-freeze period, will put their own prices up and allow its own charges to go up at the same time.

On the bnme market, the two-year-long sbortage of bearings bas now all but disappeared. This shortage was, to some extent, exaggerated by the tendency for buyers to double order in order to ensure supplies. Mr. Barlow said that one of tbe first jobs was to try to bring down delivery dates and, aided by the stagnation in the economy, it managed to bring down delivery times "enormously and, most gratifyingly, before our competitors." There is now virtually no sbortage of popular sizes of general bearings, though this is still not true of the specialised ones. Mr. Barlow believes there bas been a bottoming-out recently and that orders will start to improve.

Since the IRC has now been wound up by the Government there remains the issue of its bolding in the company. The IRC portfolio stood at 150,000 ordinary shares, 1.2m. deferred and 8.5m. of 8 per cent. convertible loan stock. In a company that bad not done well—and not all the IRC chicks turned into swans—disposing of this capital could have presented difficulties. RHP, though, has turned in most satisfactory turnover and profit results. Consequently, the merchant bank which is handling the matter is finding little problem in getting the institutions to take acceptable slices of the capital.

An upturn in the economy will do particular wooders for RHP and could shape it into a force to be reckoned with on world markets. The company has already establisbed itself as the leading U.K. concern—where 80 per cent. of its turnover comes from—and with this solid base it is in an excelleot position to grow overseas. This is a cballenge that Mr. Barlow is not likely to let slip.



A range of miniature precision bearings produced by British Manufactured Bearings, one of the larger independent companies in the U.K.

# F.T. SHARE INFORMATION SERVICE

## BRITISH FUNDS

| 1971 High | Low | Stock | Closing Price £ | + or — | Gr's Y'ld Interest £ | Redemption £ |
|---|---|---|---|---|---|---|
| **"Shorts" (Lives up to Five Years)** | | | | | | |
| 100 | 96 | Conv. 6pc 1972 | 100⅝ | —1/16 | 5.97 | 4.91 |
| 99 | 96⅛ | Tres. 4pc '69-72 | 99 | ...... | 4.03 | 4.91 |
| 101⅛ | 96 | Exchequer 6½pc. 1972 | 101⅛ | ...... | 6.18 | 4.87 |
| 102 | 98 | Exchequer 6¾pc 1973 | 101⅞ | ...... | 6.62 | 6.20 |
| 97⅜ | 92⅝ | Electric 3pc '68-73 | 97 xd | ...... | 3.08 | 4.86 |
| 97 | 92⅝ | Transport 3pc '68-73 | 97 xd | ...... | 3.08 | 4.77 |
| 99½ | 93⅛ | Treas. 5¼% 1973 | 99½ | + 1/16 | 5.28 | 5.48 |
| 90 | 93⅞ | Conv. 5½pc 1974 | 98 | ...... | 5.34 | 5.96 |
| 99¼ | 95 | Treas. 6½% 1974 | 98¾ | + 1/16 | 5.57 | 5.96 |
| 102 | 96 | Treasury 6¾pc 1974 | 102 | + 1/32 | 9.62 | 5.04 |
| 91 | 84 | Savings 3pc '65-75 | 81 | + 1/16 | 3.28 | 5.43 |
| 97⅛ | 96 | *Treas.* 6% 1975● | 22⅛ | + 1/32 | 9.05 | 5.28 |
| 100⅛ | 95 | Exch. 6½pc 1976 | 100⅛ | + 1/32 | 6.49 | 5.46 |
| 100⅛ | 93½ | Treasury 6¾pc 1976 | 100 | + ⅛ | 6.50 | 5.46 |
| 100 | 94¾ | Victory 4pc 1976 | 88 | ...... | 4.08 | 4.87 |
| **Five to Fifteen Years** | | | | | | |
| 99½ | 97¼ | Funding 4pc '60-90 | 92½ | + ¾ | 4.09 | 4.88 |
| 93 | 93 | Treas. 6¾% 1977 | 28 | + 1/16 | 5.33 | 6.53 |
| 88⅝ | 80 | Electric 3pc 1974-77 | 88⅝ xd | + ¼ | 3.38 | 5.45 |
| 90¼ | 81 | Transport 4pc '72-77 | 90¼ | + ¼ | 4.48 | 5.11 |
| 92½ | 82⅝ | Exchequer 5pc '76-78 | 91¾ xd | + ⅛ | 9.45 | 6.49 |
| 87 | 75⅝ | Electric 4¼pc '74-79 | 87 xd | + ⅛ | 4.89 | 5.36 |
| 84⅝ | 70¾ | Do. 3½pc '76-79 | 84⅝ | + ⅛ | 4.21 | 6.17 |
| 83⅝ | 69⅛ | Treasury 3½pc '77-80 | 83⅜ | + ¼ | 4.25 | 6.14 |
| 92⅜ | 76⅞ | Funding 5¼pc '78-80 | 92⅜ | + ¼ | 9.78 | 6.64 |
| 81⅜ | 67¾ | Treasury 3½pc '79-81 | 81⅜ | + ⅜ | 4.52 | 6.20 |
| 107⅛ | 92⅝ | Do. 8¼pc '80-82 | 107⅛ | + ⅛ | 8.06 | 7.90 |
| 88 | 71 | Funding 5¼pc '82-84 | 88 | + ¼ | 9.33 | 7.11 |
| 105 | 90¼ | Treasury 8¼pc '84-86 | 105 | + ⅛ | 8.94 | 8.09 |
| **Over Fifteen Years** | | | | | | |
| 89⅞ | 76 | Funding 6½pc '85-87 | 89⅞ | + ⅝ | 7.45 | 7.83 |
| 61¾ | 47⅝ | Transport 3pc '78-88 | 61¾ | + ¾ | 4.81 | 6.98 |
| 72¾ | 61¼ | Treasury 5pc '86-89 | 72¾ | + ½ | 6.85 | 7.81 |
| 97 | 96 | *Treasury* 8¼pc '87-90● | 27 | + ¼ | 8.54 | 6.62 |
| 77½ | 67⅛ | Funding 5¾pc '87-91 | 77½ xd | + ½ | 7.41 | 8.04 |
| 77⅝ | 66⅝ | Funding 6pc 1993 | 77⅝ | + ⅛ | 7.75 | 8.83 |
| 106¼ | 95⅞ | Treasury 9pc 1994 | 105¼ | + ¾ | 8.80 | 8.62 |
| 63¾ | 41⅝ | Gas 3pc '90-95 | 63¾ | + ½ | 5.71 | 7.22 |
| 102⅞ | 95 | Treas. 9pc '92-6 | 102⅞ | + ¾ | 8.78 | 8.73 |
| 62¾ | 41 | Redp 3pc '86-96 | 52¾ xd | — ¾ | 5.68 | 7.04 |
| 101½ | 90¼ | Treasury 8¾pc 1997 | 101½ | + ⅞ | 8.68 | 8.68 |
| 102¼ | 98¼ | Treas. 8¾pc 1997 "A" | 102¼ | + ⅞ | 8.71 | 8.69 |
| 84⅞ | 72½ | Treasury 6¾pc '95-98 | 84⅞ | + ⅞ | 8.21 | 8.43 |
| 81 | 40⅝ | Funding 3½pc '99-04 | 91 | + ¾ | 7.00 | 7.66 |
| 67⅞ | 57¾ | Treasury 5½pc '08-12 | 67⅞ xd | + ⅝ | 8.13 | 8.28 |
| **Undated** | | | | | | |
| 47⅛ | 40¼ | Consols 4pc | 47⅛ | + ⅜ | 8.60 | — |
| 42⅜ | 36 | War Loan 3½pc | 42⅜ | + ⅜ | 8.49 | — |
| 41¼ | 36½ | Conv. 3½pc '61 Aft. | 41¼ xd | + ⅜ | 8.48 | — |
| 34 | 31 | Treasury 3pc '66 Aft. | 34 xd | + ¼ | 8.87 | — |
| 29 | 25½ | Consols 2½pc | 29 xd | + ¼ | 8.80 | — |
| 29 | 25⅞ | Treasury 2½pc | 29 xd | + ¼ | 8.61 | — |

● "Tap" Stock.

## PUBLIC BOARD AND OTHER LOANS

| 1971 High | Low | Stock | Closing Price £ | + or — | Interest £ | Redemption £ |
|---|---|---|---|---|---|---|
| 66 | 55 | Agric. Mt. 5pc '59-89 | 66 | ...... | 7.63 | 8.99 |
| 108 | 96¼ | Alcan 10½pc '89-94 | 108 | ...... | 9.94 | 9.87 |
| 63½ | 53 | APO 6½pc Db. '84-09 | 63½ | + 1 | 2.07 | 2.24 |
| 82¾ | 70 | Do. 7pc Db. '85-95 | 82¾ | + 1¼ | 8.50 | 8.82 |
| 102¼ | 87½ | Do. 9pc Db. '92-7 | 102¼ | + 1¼ | 8.85 | 8.83 |
| 114½ | 98¾ | Do. 10½pc Db. '94-9 | 114½ | ...... | 9.25 | 9.17 |
| 71½ | 66¼ | Cope Allman 7¾pc '71-90 | 71½ | + ½ | 11.04 | 11.76 |
| 105½ | 97¼ | I.C.F.C. 9¼pc 1975 | 105½ | ...... | 8.20 | 8.55 |
| 104½ | 99½ | Do. 10pc "A" 1973 | 104½ | ...... | 9.60 | 8.95 |
| 105½ | 99 | Do. Do. "B" 1974 | 105½ | ...... | 9.78 | 8.25 |
| 108½ | 98 | Do. Do. "C" 1976 | 108½ | ...... | 9.54 | 8.81 |
| 58¾ | 55 | Met. Water 3pc "B" | 58¾ xd | + ¼ | 7.93 | 8.78 |
| 100 | 84½ | U.S.M.C. 9pc 1982 | 99 | ...... | 8.87 | 8.43 |
| 98 | 24½ | Do. without Wrnts. | 27½ | ...... | 9.41 | 9.68 |
| 92½ | 77 | Ultramar 7pc '75-78 | 87½ | ...... | 8.30 | 10.10 |
| 21½ | 14½ | Zamb. Copper 6pc 1982 | 19½p xd | ...... | — | 22.91 |

## INTERNATIONAL BANK

| 1971 High | Low | Stock | Closing Price £ | + or — | Interest £ | Redemption £ |
|---|---|---|---|---|---|---|
| 96¼ | 87 | 5½pc Stock '69-74 | 93¾ | ...... | 3.81 | 6.43 |
| 79¾ | 69½ | 5pc Stock '77-82 | 78½ | ...... | 6.42 | 8.02 |

## CORPORATION LOANS

| 1971 High | Low | Stock | Closing Price £ | + or — | Interest £ | Redemption £ |
|---|---|---|---|---|---|---|
| 90¼ | 27 | Belfast 6pc '75-76 | 90¼ | ...... | 6.65 | 9.25 |
| 97 | 86¾ | Bristol 6½pc '76-77 | 96¼ | + ⅛ | 6.90 | 7.85 |
| 90½ | 80⅝ | Essex 5¼pc '75-77 | 90½ | + ⅛ | 9.17 | 7.86 |
| 96¾ | 82¾ | G.L.C. 6¼pc 1976 | 97 | ...... | 6.26 | 7.49 |
| 100¼ | 90 | Do. 7½pc 1977 | 99⅜ xd | + ⅛ | 7.39 | 7.57 |
| 84⅝ | 75 | Herts 5½pc '78-80 | 84⅝ | + ¼ | 6.34 | 8.05 |
| 94 | 86½ | Liv'pool 5¼pc '71-75 | 94 | ...... | 6.85 | 7.27 |
| 111 | 101½ | Do. 9¾pc '80-84 | 111 | + ½ | 9.08 | 8.53 |
| 37½ | 33 | Do. 3½pc Irred. | 37½ xd | + ¼ | 9.36 | — |
| 100⅜ | 96¾ | Lon Corp 6¼pc '71-72 | 100⅜ | ...... | 6.28 | 5.85 |

## CANADIANS

| 1971 High | Low | Stock | Closing Price p*** | + or — | Div. % or amount | Times covered | Gross Yield % |
|---|---|---|---|---|---|---|---|
| 440 | 310 | Abitibi Paper‖ | 310 | ...... | — | — | — |
| 832 | 700 | Bk. Montreal ($2) | 832 | ...... | 75c† | — | 3.7 |
| £14½ | £10½ | *Bk. Nova Scot.* ($2) | £14½ | ...... | 84c | — | 2.4 |
| £14¾ | 750 | Bow Valley ‖ | £14½ | + ¼ | 5c | — | — |
| £10⅛ | 765 | Brascan‖ | 965 | —10 | $1.0 | — | 4.3 |
| 372 | 285 | B.P. Oil & Gas‖ | 343 | —2 | — | — | — |
| £13¾ | 943¾ | Can. Imp. Bk. ($2) | £12⅛ | ...... | 69c† | — | 2.3 |
| £35½ | £30 | Can. Pacific ($25) | £33⅞ | —⅛ | $3.25 | — | 4.0 |
| 125 | 83¾ | 4pcN. Cum. P. ($5) | 104 | + 2 | 4 | — | 4.8 |
| £43½ | £37½ | 4pc Deb. (£100) | £43¼ | ...... | 4 | — | 9.2 |
| 620 | 325 | Cons. Bathurst‖ | 320 | —5 | ♦$1 | — | 13.0 |
| £13¼ | £10 | Gulf Oil Can.‖ | £12¾ | —⅛ | 57½c | — | 1.6 |
| 165 | 100 | Hawker Sid. Can.‖ | 135 | + 10 | — | — | — |
| £21 | £17½ | Hollinger ($5) | £12⅜ | + ⅛ | $1.20 | — | 2.6 |
| £10⅛ | 735 | Hudson's Bay‖ | 867 | —3 | 52c | — | 2.3 |
| £24⅛ | £18⅝ | Hud. B. Oil G. ($2½) | £22¾ | + ¾ | 50c | — | 0.9 |
| £10 | 765 | Imasco | £10 | ...... | 80c | — | 3.5 |
| £14 | 820 | Imperial Oil‖ | £14⅞ | ...... | 62½c | — | 1.5 |
| 870 | 528 | Int. Nat. Gas $1 | 835 | + 5 | 80c | — | 3.3 |
| £22 | £15⅛ | Int. Nickel‖ | £15⅝ | + ⅛ | $1.60 | — | 4.0 |
| 645 | 430 | Massey Ferg.‖ | 695 | ...... | $1 | — | — |
| £17⅞ | £15½ | Pacific Petrol ($1) | £17⅛ | —⅛ | 30c | — | 0.7 |
| 80 | 57 | Place Gas ($1) | 57 | —3 | — | — | — |
| £11 | 725 | Rio Algom‖ | 760 | —17 | 40c | — | 2.2 |
| £13 | £11 | *Royal Bk. Can.* ($2) | £13¾ | ...... | 86c† | — | 7.5 |
| 145 | 95 | Steep Rock ($1) | 110 | ...... | 15c | — | 6.7 |
| £13¾ | 945 | Tor. Dom. Bk. ($2) | £13⅛ | ...... | 68c | — | 2.2 |
| £12¼ | £14¾ | Trans. Can. Pipe $1 | £18¼ | + ⅛ | $1 | — | 2.3 |
| £13½ | £10⅝ | Westcoast‖ | £12¼ | —⅝ | 20c | — | 1.7 |
| 800 | 500 | White Pass‖ | 540 | ...... | 25c | — | 1.9 |

S.E. List Premium 26½% (based on $2.5000 per £)

## BANKS AND HIRE PURCHASE

### †† Banks, etc.

| 1971 High | Low | Stock | Closing Price p*** | + or — | Div. % or amount | Times covered | Gross yield % | P/E Ratio |
|---|---|---|---|---|---|---|---|---|
| 325½ | 238¼ | Alexanders D. £1 | 305 | + 9 | | — | 4.5 | — |
| 630 | 357½ | Allen Harvey £1 | 510 | ...... | | — | 3.9 | — |
| 535 | 375 | Allied Irish £1 | 535 | ...... | 18 | — | 3.4 | — |
| 152 | 121½ | Anglo Israel £1 | 147 | ...... | 10 | — | 9.9 | — |
| 305 | 200 | Arbuthnot L. £1 | 280 | ...... | 10 | — | 3.6 | — |

INDUSTRIALS (Miscell.)—Continued

INSURANCE

PROPERTY—Continued

TEXTILES—WOOL

TRUSTS, FINANCE, LAND—Continued

## TEAS—Continued

### India and Pakistan (cont.)

| 1971 High | 1971 Low | Stock | Closing Price pence | + or − | Div. % or amount | Times covered | Gross yield pe |
|---|---|---|---|---|---|---|---|
| 30 | 28 | Scottish Assam (£1) | 28 | ...... | — | — | — |
| 9 | 4 | Singlo (10p) | 5½ | ...... | — | — | — |
| 52¼ | 34 | South'n India (£1) | 37 | ...... | 6½ | UL6 | 6.8 |
| 242½ | 176 | Travancore (£1) | 185 | ...... | 20 | 1.2 | 10.6 |
| 61 | 39 | Warren Tea (£1) | 61 | ...... | 5 | ϕ | 9.6 |
| 59 | 45 | WestDooars (£1) | 36 | ...... | 2 | — | 6.6 |
| 74 | 61½ | Williamson (£1) | 74 | ...... | 6 | ϕ | 10.6 |

### Ceylon—

| 1971 High | 1971 Low | Stock | Closing Price pence | + or − | Div. % or amount | Times covered | Gross yield pe |
|---|---|---|---|---|---|---|---|
| 63 | 54 | Bogawantalawa £) | 53 | ...... | 10 | 1.0 | 15.9 |
| 9 | 4½ | Central Prov. | 7¾ | ...... | 3 | U1.9 | 16.1 |
| 163 | 101¼ | Ceylon Plants (£1) | 163 | +1 | 20 | 1.0 | 16.3 |
| 43 | 18⅛ | Demodera | 40 | ...... | ●— | — | — |
| 43 | 35 | Dimbula Valley £1 | 40 | ...... | 3 | 2.3 | 7.5 |
| 6 | 4¾ | Galaha (20p) | 5 | ...... | 4 | U1.8 | 13.3 |
| 3½ | 2½ | Gen. Ceylon (10p) | 6¼ | ...... | 2 | U1.4 | 3.0 |
| 27 | 18 | Halcyon Inv(10p) | 62 | ...... | 4 | — | 1.8 |
| 62 | 32½ | Lanka (£1) | 56 | ...... | 3 | 1.6 | 9.6 |
| 50 | 37 | Lunuva (£1) | 48 | .... | 3 | 1.3 | 6.2 |
| 28 | 21 | Nuwara Eliya (£1) | 25 | .... | 2½ | 9.8 | 10.0 |
| 40 | 28¾ | Oovah High £1 | 40 | ...... | 3½ | 1.2 | 2.7 |
| 125 | 92½ | Palmadulla £1 | 120 | ...... | 18 | 1.2 | 15.0 |
| 11¼ | 9½ | Rajawella Hdg.50p | 11 | ...... | B— | — | — |
| 13½ | 9⅛ | Rosehaugh | 11 | ...... | 5 | 0.4 | 11.5 |
| 4⅝ | 4 | Scot. Ceylon | 4¼ | ...... | — | — | — |
| 21¼ | 15 | Scot. Tea & Lds £1 | 16 | ...... | 2½ | 1.4 | 13.6 |
| 63 | 36 | Standard £1 | 53 | ...... | 5 | 1.3 | 6.4 |
| 6 | 3¾ | Tea Corporation | 3¾ | ...... | — | — | — |

## MINES—CENTRAL RAND

| 1971 High | 1971 Low | Stock | Closing Price pence | + or − | Div. % or amount | Times covered | Gross yield pe |
|---|---|---|---|---|---|---|---|
| 98 | 70 | Durban Deep (R1) | 76 | ...... | ;14c | 2.0 | 1 |
| 110 | 68 | East RandPrp.(R1) | 77 | ...... | !4c | 9.4 | † |
| 32 | 21 | Luipaards V1. (10p) | 29 | ...... | 2c | ϕ | 4.0 |
| 13 | 2 | Rand Leases (2½c) | 10 | ...... | — | — | — |
| 90 | 65¼ | Randf'nt'n Est.(R2) | 70 | ...... | ;4c | 1.6 | ‡ |
| 56¼ | 45 | RobinsonDeep(2½c) | 50 | ...... | :4½c | 1.2 | 1 |
| 28¼ | 20 | Simmer (2c) | 23 | ...... | — | — | — |
| 40 | 32 | West Rand (R1) | 33 | ...... | 10c | 2.3 | 17.7 |

## EASTERN RAND

| 1971 High | 1971 Low | Stock | Closing Price pence | + or − | Div. % or amount | Times covered | Gross yield pe |
|---|---|---|---|---|---|---|---|
| 63 | 43 | Bracken (R1) | 45xd | ...... | 16½c | ϕ | 22.4 |
| 10 | 9 | Daggafontein (50c) | 8 | ...... | — | — | — |
| 28 | 21¼ | EastDagg (R1) | 26 | ...... | †11c | 1.0 | 25.7 |

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND

PLATINUM

CENTRAL AFRICAN

AUSTRALIANS

TIN—EASTERN

TIN—NIGERIAN

TIN—MISCELLANEOUS

RUBBERS—MALAYSIAN

RUBBERS—MISCELLANEOUS

SISAL

TEAS

India and Pakistan

UTILITIES

OILS

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

MACHINE TOOLS

MOTOR, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Aircraft

Components

Garages and Distributors

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

STEELS

TEXTILES—GENERAL

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

## COPPER

| 1971 High | 1971 Low | Stock | Closing Price pence | + or − | Div. % or amount | Times covered | Gross yield pe |
|---|---|---|---|---|---|---|---|
| 111 | 75 | Esperanza (12½p) | 80 | +1 | 40 | 1.9 | 6.3 |
| 13⅛ | 10 | Indian (10p) | 11 | ...... | 11.1 | 3.0 | 10.1 |
| 296 | 234 | Messina (R0.50) | 834 | −4 | 190 | 2.0 | : |

## MISCELLANEOUS

| 1971 High | 1971 Low | Stock | Closing Price pence | + or − | Div. % or amount | Times covered | Gross yield pe |
|---|---|---|---|---|---|---|---|
| 7⅞ | 5 | Burma Mine (17½p) | 6 | ...... | — | — | — |
| 26 | 17½ | Cent.Prov Mn(12½p) | 24½ | ...... | )a10 | ϕ | 2.7 |
| 31 | 12½ | Charterhall (5p) | 13 | ...... | — | — | — |
| 812½ | 270 | Cons. Murch (10c) | 270 | −15 | 160c | 8.1 | : |
| £31⅛ | £27½ | G. F. Mg. Ind. Ob. | £31½ | ...... | 7½ | 38.0 | d0.0 |
| 565 | 305 | Northgate (C$1) | 306 | −10 | 60c | 8.2 | 6.6 |
| 270 | 210 | R.T.Z. | 212 | −2 | 24 | 1.8 | 2.2 |
| 250 | 80 | Sabina Inds. (C$1) | 80 | ...... | — | — | : — |

**For Notes, see Stock Exchange Dealings.**

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THE LEX COLUMN

# Divergence between market sectors

The most lnsisteot feature of the equity market in recent weeks has probably been tho divergeoce between the various sectors. On the theory that the only thing which repeats itself consistently ln the stock market is investor psychology, it may be worth having a look back at similar stages lo provious equlty uptrends.

Since the FT Actuaries series started in 1962, there have been three points which at the time looked broadly like the present. At the beginning of 1964, after 18 months of uptrend, tho 30 share lndex at 352 was pushing up against the levels that bad marked the top of the 1958-9 bull market, and the months to follow were to show one of the more striking divergencios hetween the 30 share and the All-Share index. The former in fact went on to s new high of 377 in September 1964 wbile the All-share quite failed to make further progress.

Until July the msrket in fact cburned within a narrnw range: when the 30 share index made a further attack on the 352 level in April, for instance, the financial group was down 7 per cent. from the top while tho consumer durable group, for example, was reaching oew highs. As the index broke through 352 in July, all the sector groups moved with fair conformity, until somo significantly divergent sector or group movemonts in Septemher heralded the Octoher 2 all-time index peak. Two important elements of dissimilarity to the present, however, were tbat interest rates had turned up and that the 1963 market uptrend was much less steep than that of 1971 to date.

## Devaluation time

October to Decemher, 1967, was another churning phase after a 12-month uptrend ending with a sharp run, with sector performances as far apart as shiphuilding, up 15 per cent., and HP down a sixth. But since the chief runners along with shipbuilding — namely oils, chemicals and shippers, each up about 10 per cent. against a 5 per cent. fall in the 30-share index—were all obvious devaluation beneficiaries, the divergences may seem suspect as a psychological iodicator.

While the period end-February to end September, 1968, saw few exaggerated sector divergencies — stores, shipping and oils were in fact up around 50 per cent., against 27 per cent. for the All-share index and only 19 per cent. for financials—the months November through January will bo remombered as s massive churning phase. By the end of November, the All-share index was slightly up and the 30 share 10 points down, but household goods, for example, were off 9 per cent., oils np 17 per cent. and performances in financials ranged frnm rises of 22 and 16 per cent. for merchant hanks and properties to falls of a similar extent in HP and discount houses. The history of the 30 share index douhle top and the new January, 1969, highs of the All-share is well known.

This tiny sample certainly implies that churning points herald significaot reactions. However, the latest unit trust returns serve as a sharp reminder that the public's attitude does not convey the atmosphere of a market top: the recent pattern of repurchases can in fact only be compared with that of 1967. For what they are worth, the unit trust figures are consistont with either a prolonged hull market or an economic recession to come.

## Contractors

A feature of the re-rating which has lifted our contracting and construction index by 75 per cent. since lts March low is the way all sorts of shares have come up together, ranging from major hlue chips like Wimpey or Taylor Woodrow down to the tiniest house builder. This is understandable, given the extent of the swing from pessimism to optimism over the past six months. At the beginning of the year, after all, there were fears that construction output might be even lowor than in 1970, and against a background of grisly profits statemonts and deteriorating balaoce sheets, talk of bankruptcies was very much in the air.

All that gloom looks dated oow, yet the fundamental changes in the industry background bsve not been all that dramatic, eveo if an exceptionally fine spring got the contractors off to an excellent start. In fact, the latest official projection is for a 2-3 per cent. gain in ontput this year followed by a further 3-4 per cent. rise in 1972.

Within this overall improvement, there are wide variations both in types nf construction activity and in regional experience. In the first half of 1971, total new orders rose hy 6 per cent. at constant prices, but excluding a 40 per cent. jump in private non-industrial work—boosted by the rush to benefit from tho hotel grants scheme which ran out in March—the rise was negligible. Against gains of 11 per cent. in private housing and 14 per cent. in public (non-housing) — geared up hy higher spending oo schools and hospitals—there were falls of 23 per cent. in the puhlic housing sector and 17 per cent. in private industrial orders. The floor area covered by indnstrial developmeot certificates approved in the second quarter dropped by 37 per cent.

As for regional variations, the recovery is concentrated in the South East where a 40 per cent. jump in the total value of first half orders contrasts with no prngress in Scotland, the North of England and Wales.

Sooner or later all these variatioos will be reflocted in shsre price performances. It is not bappening yet. Since mid-August, the contracting index shows a 13 per cent. gain, yet it is still easy enough to draw up a "tiddlers" index which has done usefully better.

Lombard

# CBI's role in the Great Debate

BY C. GORDON TETHER

"THE ARCUMENT in industry as to whether Britain should enter the EEC or not ia virtually over," said the Confederation of British lndustry recently, claiming that "intensive cnnsultation" with the rank and file had revealed overwhelming support for the Cnuncil's earlier finding that the terms negotiated with the Six were entirely acceptable.

However, aa everyone knows, the outcome of exercises of this kind can he greatly influeoced hy the wsy io which they are cnnducted. And hefore deciding, therefore, what real significance the CBI conclusion has for the "Great Dehate," it will he necessary to consider very carefully its hackground, as well as to examine the valldity of the fashionable proposition—enunciated once again hy Mr. Carr a week nr so hack—that what industry thinks is good for ltself must necessarily he good "for the majority of people."

## Lip service

Just bnw intenslve, to hegin with, were these consultations with the rank and file? The July Bulletin of the CBI's Small Firms Council threw some lnteresting light on this when, having said that the cnnsultation would he achieved largely througb committees and Regional Cnuncil's, it added that lt felt that "this would to some extent limlt the opnortunities for indlvldual memhers to express tbelr vlews." Indeed lt would!

True enougb, on August 6 the Director General asked members whetber they would care to express a view by the end of the month as to wbetber Britain sbould enter the EEC—oot, it sbould he noted, whetber they considered this would be ln the lnterests of their own companies, whicb would obviously bave heeo mucb more relevant. But to offer companies a chance to express an opinion on a matter of such a complex character at the peak of the holiday season, with only three weeks to avail themselves of it, is manifestly to do no more than pay lip service to democratic consultation.

## Abstentions

The CBI has made much of the fact that, of the 1,000 odd answers this invitstion evoked, some 90 per cent. fsvoured entry into the EEC. Yet it would surely he more realistic to argue that the main significance of the out-turn lies in the huge size of the abstentions, no more than a tenth of the memhership having heen sufficiently enthusiastic about entering the EEC to stand up and be counted.

The remaining 90 per cent. was either unahle to make up its mind—at leaat at such short notice—or felt that it wasn't worth going to the hother of registering its views on an issue that it saw as having been decided already hy the CBI's hierarchy.

What it holls down to is that the outcome of the CBI's consultation with the rank and file cannot in any sense he regarded as constituting "overwbelming industrial approval of British entry into the EEC." And its importance for the Common market dehate has to he adjudged accordingly.

## Common ground

Industry's contributions to the economic debate over the past 20 years have not been of such sn outstanding quality tbat we can assume that it would he incapahle of miscalculating the likely consequences of Britiah eotry into the EEC even for its own collective fortunes. So it would he wrong to encourage the puhlic to helieve that what the CBI sees as good for industry must be good for us all even if its "deflnltive view" dld accurately reflect the feellngs of tbe membership as a whole.

The obvloua suspicion that this bas been disproportionstely influenced hy the heavy-weight companies tbat tend to dominste its inner councils makes it particularly necessary to question tbia proposition.

It ls now common ground that, tbe higger snd more lnternationalised a company becomes, tbe less likely it is that its interests will always run in parallel with those of the countries in which it is operating. It is precisely hecause of tbis tbat the invasion of the EEC hy America's lnternationsl gisnts is causing so much concern there. Needless to say, circumstances wherein what is seen as good for the lsrger company will oot necessarily he good for the public sre particularly apt to arise in relation to an nperation calculated to redraw or erase so many lines as Britisb entry into the EEC.

# Industrial tribunals new structure approved

BY JOHN ELLIOTT, LABOUR EDITOR

THE structure of Industrial Trihunals is to he changed within the next few weeks to exclude union-approved memhers, as a result of the TUC'a campaign agsinst the Industrisl Reistions Act which has effectively cnt the union representatives on the trihunals hy two-thirds.

Mr. Robert Carr, Secretary for Employment, bas had his new plans for the tribunals approved by the Council on Trihunals and is expected to lay Regulatlons changing the structure before Parliament soon.

## Partial victory

This represents at least a partial victory for one part of the unions' campaign against the Act, hut ooe wbich is oversbadowed by the setback whicb the TUC will experience this week as its efforts to make unions try to de-register immediately, founder.

The Industrial Tribunals, wbicb at present baodle cases such as disputes over redundancy payments, are to bave their role considerably enlarged ln about four months' tlme wben they will be establisbed under the Act as tbe local arm of the National Industrial Relations Court, mainly bandling cases involving individuals wblcb arise from tbe legislation—for example, over unfair dismlssals.

Each trihunal, in addition to having an independent chairman, consists of two other memhers drawn from two lists prepared after cnnsultation wlth the CBI and TUC.

As part of its campaign against the Act, the TUC has told its affiliated unions to instruct their memhers (or retired memhers) sitting on the trihunals to withdraw. Up to now, ahout 85 of the 200 have done so, and the TUC has just sent out another circular stressing that the rest should follow suit.

However, the work of the trihunals has been furtber hlt hy a large numher of the union representatlves asking that they should not he called for duty until the row over tbe Act coola down—reducing the total numher now available hy ahout two-thirds.

Msny of this second category are retired union officers for wbom the tribunal work is a major source of income wbich they are loath to give up—even Mr. Jack Jones of the Transport and Ceneral Workers' Unlon is having trouble makiog one or two of his retired memhers toe the line.

Mr. Carr decided that he would have to cbange the structure of tho tribuoals quickly wltbout waiting for tbelr role to be enlarged under the Act and bas informed hoth the CBI and the TUC tbat be intends to scrap the present separate employers' and employees' lists.

The Regulations be is to lay before Parliament will replace these two lists wlth "a single panel consisting of persons appearing to the Secretary of State to bave knowledge or experience of employment in industry or commerce." The requlrement to consult tbe TUC will fall and, instead, Mr. Carr will consult the CBI and any other suitable and available organisations.

He will only be required to "provide a prnperly halanced membership wherever possihle," whicb means thst in some cases, where an employees' tribunsl member is hsrd to find, a worker may suffer the dlstadvantage of having his case heard hy the independent chairman (normally a lawyer) and an employers' nominee.

The new list has yet to he prepared hut will presumably include most of the existing employers' nominees together with those present nomineea who lntend to ignore the TUC line. The Government then hopes that it will be ahle to correct the halance hy recrulting others with an employees' rather than an employers' background—retired civil servants and local government employees, for example, together with some lesser-known academics.

## Withdrawing

Meanwhile, many unions will not follow the TUC's iostruction to write to the new Registrar of Trade Unlons tbis week asking to he wlthdrawn from bls provlsional register, whlch comes into force on Friday, tbe day the first part of the Act is implemented.

Among tbose wbich will almost certainly not do so are tbe general and municipal workers, shopworkers, bank employees, agricultural workers aod mayhe even the TGWU. Some of these are bampered by rules saying tbey must he registered, althougb the engineers are to go ahead and ask for de-registration even though they have a registration rule.

# Shell Chemicals review

By John Trafford

THE BOARD of Sbell Chemicals bas told its 5,000 staff that present levels of profitability are not satisfactory and thst a comprehensive study to improve matters is in band. Although no action will he taken until the review is complete in two or three months' time, there is a clear possibility of redundancies and other rationalisation measures.

The delicacy of the situation is underlined hy the fact that the study has been going on for several weeks, and that staff, when informed last Thursday, were told so orally.

The Shell Chemicals Board, under Mr. Ernst Werner, the chairman, and Mr. John Aldersley, the managing director, issued a written statement to top management at all company locations to serve as the basis for the oral statements.

Future investment plans for Carrlngton, near Mancbester, and Stanlow, Cheshire, whicb formed the subject of a £225m. reappraisal last January, are not being looked at agaln. A decision last spring to defer the start-up of the new ethylene plant and otber dependent facilitles at Carrington by about two years will not be cbanged. However, all other aspects of Sbell Cbemicals operations in tbe U.K. will be under scrutlny.

# Hinkley Point up to one year late

BY DAVID FISHLOCK, SCIENCE EDITOR

HINKLEY POINT B nuclear power station in Somerset, expected to be the first of Britain's 6,000MW of new nuclear atations to come on-line, will he 10 to 12 months late, estimates Slr Edwin McAlpine, chairman of the Nuclear Power Group.

It is now expected to produce its first power in the spring of 1973. Hinkley B, 1,250MW, was the second of Britain's AGR stations to be ordered, in 1967, two after Dungeness B, wbich is not expected to generate power before 1975.

## Technical

Slr Edwin's statement to the Financial Times anwers recent rumours forecasting that technical troubles at Hinkley might delay the station by as mucb as 18 to 24 months.

Hinkley B'a hasic problem, according to Sir Edwin, ls tbat this station and a similar ono tbat bls company is building at Hunterston, ln Scotlaod, took over the role of prototype AGRs abdlcated hy Dungeness B wben, late in the 1960's lt fell far bebind scbedule.

As a result, bis company found itself building two prototypes simultaneously, instead of being able to spply lessons learned at Dungeness B.

Hinkley B has encountered three specific technical prnhlems. One was the need to dismantle mnch of the graphite core in order to protact a mild steel structure with an overlsy of stainless steel. This ehange was taken in light of the corrosion troubles of the magnox reactors, although the decision to modify was delayed by the Central Electricity Generating Board in the hope that it might not be necessary.

Another prnblem bas arisen wlth the thermal insulation of the pressure vessel, in this case a hlanket of fibre, wbere it has proved difficult to avoid damaging resonances arising at certain points in the structure.

Instabilities in the operation of its boilers were the tbird prohlem. The designers found that when a fuel channel was emptied hy the automatic fuelling machine, a rush of cold coolant gas up the channel would cause the gas ontlet temperaturo to fintter, creating boiler control problems.

Only the extra cost lnvoked by the first of these three troubles is likely to be met by the CEGB.

# Only non-Unionist resigns from Ulster Cabinet

BY JOHN GRAHAM

BELFAST, Sept. 26.

MR. DAVID BLEAKLEY, Minister for Community Relations and the only non-Unionist memher of the Northern Ireland Government, has reslgned on the eve of the tripartite talks in London.

His resignation is in a sense symbolic, aince under the terma of hia sppointment he would have had to reslgn by next Friday. In his letetr of resignation to Mr. Brisn Faulkner, the Ulster Prime Minlster, he expressed the strongest opposition to two of the Covernment'a pollcies—internment and the continuation of one-party rule.

He proposed that proportional representation should he introduced immediately, that the Commons he enlarged and the Senate re-formed, and that a Ministry of Construction he created. This three-point plsn, he said, was essential if peace and order were to he restored to Northern Ireland.

Mr. Bleakley said the province faced a disastrous situation on a daunting scale and warned of a threatened hreakdown of the fabric of society. One-party rule ahould he renounced, he added, and political tribalism give way to a hrnader haaed government.

## 'Tragic mistake'

Internment was a tragic mistake, he said, and more than any other single thlng had divided the Roman Catholic and Protestant communities.

"1 think it is wrong," he aald, "and is only aggravating the hreakdown of law and order."

Despite his strong objections in these two respects, objectlons whicb Mr. Faulkner naturally disagreed with, Mr. Bleakley did aay that he regarded Mr. Faulkner's Government as Nnrthern lreland's last chance. Should the Government fall, he felt that London would bave to impose direct rule.

He urged Mr. Faulkner to withstand the extremist pressures that he said were being hrought upon him frnm too many quarters

Mr Bleakley's statement puts in the spotlight the question of internment, which is still the liveliest politicsl issue in Northern Ireland. Mr. Faulkner, in his reply, said that lt was not internment wbich was dividing the community, hut continuing violence.

# Lynch prepared to make concessions at Chequers

BY DOMINICK J. COYLE

DUBLIN, Sept. 26.

MR. LYNCH, the Iriab Prime Minister, who arrived in London to-night, goes to Cbequers tomorrow wilb one immediate and rather limited objective: how to find a formula which will allow the abstentionist Social Democrats (SDLP) and Natiooalist MPs and Senators to join in the peace conference on Northern Ireland proposed by Mr. Maudling.

## General claim

The Repuhlic Prime Minister, in turn, is prepared to make two concessions whlch are seen bere as of great political benefit to Mr. Faulkner, Norbtern Ireland Premler. These are that the horder is not immediatcly at issue, and tbat a changed order of gnvernment in tbe North need not be incompatible with the province'a present cnnstitutional links with Britain.

Mr. Lynch will certainly renew bis geoeral claim tbat the reunification of Ireland hy peacefnl means remains the only long-term and lasting solution to the Ulster crisis. But be will accept that the immediate need is to give the Northern Ireland minority ao effective role ln a reformed system of government, always provided that any agreed changes do not close off the possibility of national unity

The Irisb side does oot look upon the Chequers talks as representing actual negotiations to secure a hrnader-based Stormont administration. Indeed, Mr. Lynch will insist that he bas no mandate to conduct detailed negotiations and that this task, on hehalf of the Northern minority, must rest with the elected SDLP and Nationalist representatives.

The SDLP and Natinnalist representatives are still maintaining their stand that an end to internment remains an essential pre-cooditinn for their joining in the Maudlіng conference, and they re-emphasised tbis point to Irish Ministers at the week-end. But Mr. Lynch and his senior advisers believe that something less than a full concession to this minority view could get the peace conference off tbe ground.

## Dublin view

In the Duhlio view of tbings, the tripartite talks at Chequers are capable of prnducing sucb a concession, given a reasonahle degree of flexihillty hy Mr. Heath and Mr. Faulkner, while at the same time not undermining the domestic position of the Stormont Premier at the bands of the Unionist extremists

The three-man appeals committee could, at an early stage, recommend the relcsse of a number of the 219 men now interned on the hasis that detailed examination showed they were not hard-core members of either factlnn of the IRA.

Continued from Page 1

# Parity realignment

ing even are this afternoon'a Press confcrence, are the real aims and intentions of U.S. Treasury Secretary Mr. John Connally, who is now the key man in the Nixon Admlnistration. As a god Texan he plays his cards very close to his chest and his real lntentions sometimes seem as ohscure to the American team here as they do to negotiators from other countrles. The prohahility is that he la aware of dangers of a trade war and is prepared at least to reduce the surcharge before the presidential electlons; hut there does remsin a worrying element of doubt ahout his degree of commitment to a llheral world trading system.

There are ill-concealed divisions among U.S. policy-makers. lt is helieved for example that not only many in the Federal Reserve but even Mr. Psul Volcker, Assistant Secretary for Monetary Affairs, opposed the surcharge as heing unnecessary and even counter-productive, once it had heen decided to close the gold window.

Questions are also heing raised about Britiah attitudes among lnternational monetary officials anxious fnr a reasonahly quick settlement. The British position, like that of the French, is baaed on an extreme unwillingness to move more than a nominal amount against the dollar unless and until the Japanese and the Cermans, as the major long-term surplus countries, have shown a willingncss to undertake large revaluations. On the nther hand, the Cermans and the Japanese will ha powerfully influenced hy the dcgree of "give" in the position of the U.K., ltaly and France. lt ia argued that if instead of sticklng so closaly to the French position, the British were to throw their influence on the slde of a large realignment, they could contribute more to an early settlement. This alternative strategy would have to he accompanied hy a more flexihle attitude to exchange rates by the Britisb Government, as a safety valve.

While the genersl issue of fixed versus flexihle rates is no longer a major one at this conference—the consensus ls in terma of rates which are nominally fixed within a wider band and which can move fairly readily—there is a dsnger of the Britisb and Frencb hecoming entrenched in a doctrinal attacbment to fixed rates out of keeping with the general spirit of current discusions. This attachment is largely at a political level; official advisers would like Britisb Minlsters to keep all options open as long as possible.

# Czech Foreign Minister for London

By Michael Simmons, East European Correspondent

THE Czechoslnvak Foreign Minister, Mr. Jan Marko, will visit London in mid-Novcmher for talks with Sir Alec Douglas-Home, Foreign Secretsry. His visli will he a sign that hilateral relations have now recovcred from the disruption caused by the Soviet-led lnvasion of Czechoslovakia in 1968.

Mr. Marko is expecled to raise the suhject of the European security conference, currently much sought after by the Russians



## Weather

U.K. TO-DAY

E. and N.E. Scotland will mostly cloudy with periods rain, heavy in places at first. Scotland and N. Ireland will rather cloudy at first with so[me] rain, but there will be bright [in]tervals and showers later.

England and Wales will h[ave] showers and perhaps longer [...] breaks of rain in places, but th[ere] will be sunny intervals.

London, S.E. and Cent. S. E[ng.], E. Anglia, E. Midlands.

Sunny intervals and show[ers], perhaps heavy in places. Cl[oudy] intervals at night. Wind S[...] veering W. moderate or fr[esh]. Max 17C (63F).

E., N.W., and Cent. N. Eng., N. Wales.

Showers or longer periods [of] rain. Some bright interv[als] mostly later in day. Wind [vari]able light or modarate becom[ing] N. moderate. Max 15C (59F).

W. Midlands, Channel Is., [S.W.] Eng., S. Wales.

Showers and sunny inte[rvals] but becoming mainly dr[y at] night. Wind S.W. veering [...] moderate or fresh, stron[g in] places at first. Max. 16C (6[1F]).

Lakes, Isle of Man, S.W. [Scot.], Glasgow, Argyll, N. Irela[nd].

Rather cloudy at first [with] some rain. Bright interval[s and] showers later. Wind E. [...] N. moderate or fresh. Max [13C] (55F).

N.E. Eng., Borders.

Rather cloudy with occa[sional] rain or showers. Wind E. [...] N.E. moderate or fresh. Max [12C] (54F).

E. Scot., Edinburgh, Cent. [High]lands, Dundee, Caithness.

Mostly cloudy with period[s of] rain, especially early. Wind [...] N.E. moderate or fresh. Max [11C] (52F).

N.W. Scot., Orkney, Shetla[nd].

Rather cloudy. Occasional [rain] or showers, but some brig[ht in]tervals. Wind E. to N.E. [moder]ate. Max. 11C (52F).

Outlook: Becoming mainl[y dry] with sunny intervals later [...] some rain at times in [...] districts. Temperatures [...] normal.

BUSINESS CENTRES

| | | Y'day Mid-day °C | °F | |
|---|---|---|---|---|
| Amstrdm. | C | 13 | 55 | London |
| Beirut | S | 27 | 81 | Luxembrg. |
| Belfast | S | 16 | 61 | Madrid |
| Belgrade | F | 22 | 72 | Manchstr. |
| Berlin | C | 12 | 54 | Milan |
| Birmghm. | C | 16 | 61 | Moscow |
| Bristol | R | 18 | 64 | Munich |
| Budapest | F | 23 | 73 | Newcastle |
| Cardiff | C | 13 | 55 | Oslo |
| Cologne | C | 16 | 61 | Paris |
| Copnhagn. | C | 14 | 57 | Prague |
| Dublin | C | 16 | 61 | Reykjavik |
| Edinburgh | C | 10 | 50 | Rome |
| Frankfurt | C | 15 | 59 | Stockholm |
| Geneva | S | 20 | 68 | Strasbourg |
| Glasgow | R | 9 | 48 | Tel Aviv |
| Helsinki | C | 11 | 52 | Vienna |
| Lisbon | C | 20 | 68 | Zurich |

HOLIDAY RESORTS

| | | Y'day Mid-day °C | °F | |
|---|---|---|---|---|
| Ajaccio | F | 25 | 77 | Istanbul |
| Alexdria. | F | 26 | 79 | Jersey |
| Algiers | C | 25 | 77 | Las Plms. |
| Athens | S | 24 | 75 | Locarno |
| Barcelona | F | 22 | 72 | Luxor |
| Biarritz | F | 19 | 66 | Majorca |
| Blackpool | R | 11 | 52 | Malaga |
| Bordeaux | C | 19 | 66 | Malta |
| Boulogne | C | 16 | 61 | Naples |
| Casablnca. | C | 22 | 72 | Nice |
| Corfu | F | 24 | 75 | Nicosia |
| Dubrovnik | F | 22 | 72 | Oporto |
| Faro | F | 25 | 77 | Rhodes |
| Florence | F | 25 | 77 | Salzburg |
| Funchal | F | 24 | 75 | St. Moritz |
| Gibraltar | S | 25 | 77 | Tangier |
| Guernsey | F | 19 | 66 | Tenerife |
| Innsbruck | S | 21 | 70 | Tunis |
| Inverness | C | 15 | 59 | Valencia |
| I. of Man | C | 14 | 57 | Venice |

F—Fair. S—Sunny. C—Cloudy.



هكذامن الأجل